Regulation Best Interest Disclosure

4/23/2024

This guide summarizes important information concerning the scope and terms of the brokerage services Steward Partners Investment Solutions, LLC[1] offers and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us ("SPIS", "Firm").

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, providing both brokerage services and investment advisory services. Our brokerage services are the primary focus of this guide. For more information on our investment advisory services and how they differ from brokerage, please review the Customer Relationship Summary (Form CRS) available by visiting Regulatory Information and Disclosures at www.stewardpartners.com. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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Introduction

On behalf of Steward Partners Investment Solutions (“we,” “our,” “us”, “Steward Partners”, or "SPIS"), we would like to thank you for taking the time to learn more about our firm, our people, and our services. While we hope that both the terms used and the subjects included in this guide are familiar to you, in some cases, they may not be. To assist you in better understanding the topics discussed in this Brochure, a brief explanation of several terms used throughout may be of benefit.

Steward Partners Investment Solutions is a broker-dealer. What that means is that we are a company that is in the business of buying and selling securities—stocks, bonds, mutual funds, and certain other investment products—on behalf of our customers. Individuals who are associated with broker-dealers and serve as representatives for retail customers buying and selling investment products—the personnel whom many people call brokers or registered representatives—are referred to by SPIS as Financial Advisors (“FA” or “FA”), and that is how they are described in this guide. Knowing who we and our Financial Advisor are should make navigating this guide easier, but if you would like clarification regarding anything discussed in this disclosure, please ask your FA to assist you.

Standard of Conduct

Regulation Best Interest (“Reg BI”) requires broker-dealers and their Financial advisors to act in your best interest and place your interests ahead of all others when recommending any securities transaction or investment strategy involving securities, including account recommendations and rollover/transfer of assets. Reg BI also requires that broker-dealers disclose the material facts relating to the scope of the terms of your relationship with us and your FA.

This guide is designed to help you obtain the facts needed when deciding the type of account(s), securities, or services to help you obtain your investment objectives, foster your understanding of your relationship with SPIS and your FA, and help you evaluate any recommendations you receive,

When your FA makes a recommendation to you regarding any securities transaction or investment strategy involving securities (including account recommendations and rollover/transfer of assets), your FA should be providing the recommendation in your best interests at that specific time without placing your FA’s financial or other interest ahead of your interests.

Brokerage and Advisory Services

Your relationship begins with your FA working with you to identify your investment profile (investment goals and objectives, as well as risk tolerance). Your FA will then develop a recommendation or series of recommendations designed to complement your financial situation, needs, and personal circumstances, and the recommendation will be in your best interest.

Depending on your needs and investment objectives, your FA will provide services through a brokerage relationship, investment advisory relationship, or both. There are essential differences between these relationships as they relate to types of services and accounts, such as the following:

Our primary brokerage service is buying and selling securities for your account at your direction. Through your FA, we can recommend buying, selling, or holding securities, but you make the final investment decisions.

Advisory services are when your FA and SPIS, or its affiliate Steward Partners Investment Advisors, LLC (as an SEC-registered investment adviser and as a fiduciary) provides ongoing investment advice and monitoring service of your account(s) for a fee. This service may be on a discretionary basis, which means that your FA can place trades, rebalance your portfolio or make other investment decisions for your account without first discussing with you and obtaining your approval. Other services your FA can provide are financial planning, nondiscretionary consultation, and advice on the selection of professional asset managers.

Below are some questions you might want to think about and ask your FA in deciding the type of services your need for your account:

- Do you want or need someone to manage your account(s)?
- Or do you want to make all your investment decisions and only receive advice when you ask for it?
- Do you want someone to monitor your account(s) and provide ongoing investment advice?
- Or do you just want someone there if you have a question about your account or an investment?
- Do you have an active investment strategy of wanting to buy/sell when any type of financial or economic situation or opportunity presents itself?

- Or do you have a passive investment strategy of buy-and-hold for a long period of time and not influenced by financial or economics swings?
- Do you mind paying an ongoing fee for your FA's services?
- Or would you rather pay your FA for each transaction he/she helps you with?

For additional information regarding our advisory services, please refer to our Form ADV Part 2A by visiting Regulatory Information and Disclosures at www.stewardpartners.com.

Investment Programs and Services

When you establish a brokerage account with us, you can buy, sell and hold investments within your account. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship, we can trade for you in your account, our account, for an affiliate or for another client, and we can earn compensation on those trades. The capacity in which we act is disclosed on your trade confirmation.

Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firms, Raymond James & Associates, Inc. (RJA) and Pershing, LLC ("Pershing"). (collectively "Clearing Firms") of the purchase price that is loaned to you is secured by securities in your account, also referred to as "collateral." You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes. Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity.

Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with the Clearing Firm. For more information on our margin brokerage services, contact one of our financial advisors or refer to our Margin Disclosure Statement available at www.stewardpartners.com → Regulatory Information & Disclosures → Regulatory Disclosure.

Fiduciary Responsibility for Retirement Accounts

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interests, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account, we may also provide other incidental services such as providing research reports, and recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made in writing to you.

It is important for you to understand that when our financial advisors make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to providing ongoing monitoring of your brokerage account. If you prefer ongoing monitoring of your account or investments, you should speak with a financial advisor about whether an investment advisory service relationship is more appropriate for you.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, goals-based planning, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Clearing Services

We have entered into agreements Raymond James & Associates, Inc. (RJA) and Pershing, LLC (“Pershing”) (also referred to herein as “Clearing Firms(s)”) to carry your account and provide certain back office functions. SPIS and its Clearing Firms share responsibilities with respect to your account as set forth in the Customer Agreement that was delivered to you upon opening of your account. Please refer to the Customer Agreement for more information on how such responsibilities have been allocated between us and your Clearing Firm.

Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). For more information on conflicts of interest related to Cash Sweep Programs, please refer to the Conflicts of Interest section of this disclosure.

Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be charged/closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account with our Clearing Firms.

You should also understand that our financial advisors may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial advisor may choose to service only those brokerage account clients who satisfy account- specific or total household asset conditions. Minimum asset requirements are disclosed to you verbally by your financial advisor.

Compensation, Cost, and Fees

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

Commissions

Certain charges are levied on the purchase and sale of securities in brokerage accounts. These charges, commonly referred to as "commissions," are imposed by us for providing brokerage services, including trade execution and handling. Commission are sometimes referred to as a "transaction-based fee," "mark up," "sales load," or a "sales charge." Generally, commissions are calculated based on the principal purchase or sale amount involved and vary depending on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, please visit the Regulatory Information and Disclosures section of our website www.stewardpartners.com to review our Fee Schedules.

How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account.

The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents. Below is an example of direct and indirect compensation for the various products we offer:

Financial Advisor Compensation

We pay financial advisors a portion of the commissions that we receive. Financial advisor compensation generally will increase as the volume of trades increases in a brokerage account. Please consider whether a fee-based advisory account may be beneficial if you anticipate frequent trading or whether paying an annual fee may be more costly than paying commissions in a brokerage account, such as if you plan to hold investments for longer periods of time, purchase and hold high-quality fixed income securities until maturity, or otherwise trade relatively infrequently. You should also consider that there are often embedded costs in actively managed portfolios (i.e., advisory accounts) and certain types of packaged investments, even if these investments are purchased in an advisory or fee-based account. When investment managers for a portfolio or a packaged investment buy or sell stocks, bonds, or other underlying securities, there is a bid/ask spread and transaction costs to the manager that are absorbed by the investor in the form of reduced returns.

When a financial advisor chooses to become an associated person of our firm, we may pay the financial advisor compensation in connection with their transition from their prior firm. We often offer both an upfront payment and additional potential compensation based on the revenues generated from the accounts of the financial advisor's clients in the first few years, or in some cases based on the growth in total assets that the financial advisor manages. This creates incentives for the financial advisor to encourage you to move your assets Steward Partners Investment Solutions and to produce greater revenues for us.

<u>Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)</u>

Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs) is received as direct compensation. The commission is charged to you and received by us and your financial advisor for trades of stocks, rights, and warrants. The commission charged is a percentage of the principal which ranges from a minimum of 0 to 5%.

Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below.

Option Rates Equity and Index

Options compensation is received as direct compensation. The commission and execution fee are charged to you and received by us and your financial advisor for options transactions. A percentage of the principal is charged as commission, which ranges from a minimum of 0 to 5%. An additional execution fee is applied and based on the number of contracts.

Debt Securities

For debt securities, including preferred securities and CDs, we may apply a direct compensation charge (i.e., markup/markdown) of up to 5% of the amount of your secondary market transaction.

Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-end sales charge fees may be charged and paid to us, including your financial advisor, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your financial advisor if you believe you are eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges may range from 0.00% to 5.50%. CDSC periods can typically range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your financial advisor. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus is charged against the investment values of the fund. Please note that 12b-1s and similar fees or compensation received in connection with our funds are not received, or are rebated, on ERISA assets held in Advisory Program accounts.

Annuities

Our annuities consist of fixed, index, and variable annuities. Under arrangements with insurance companies, we, including your financial advisor, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. Within variable annuities there are usually multiple commission options a financial advisor can select. The annual fees and charges on the contract that will be paid in the aggregate are not affected by the commission option selected by your financial advisor. In general, the greater the commission paid, the lower the trail; and the lower the commission; the greater the trail. For specifics regarding the exact option chosen for a particular annuity, contact your financial advisor.

For all currently offered fixed, index and variable contract annuities, commission options may range from 2% to 7% while trail commission options range from 0% to 2%.

Market-Linked Investments

We offer market-linked certificate of deposits (CDs). We, including your financial advisor, receive commissions from issuing financial institutions for the sale of market-linked CDs and they are considered indirect compensation. Commissions paid to us may vary by issuer, product type and issuing market-linked CD.

Sales commission for market-linked CDs typically range from 1.5% – 4% of the principal.

Structured Products

Structure products are also on our product list. We, including your financial advisor, receive commissions from issuing financial institutions for the sale of structure products. Compensation for this type of product is indirect. Commissions paid to us vary by product type and may vary by issuing structured product.

Sales Commission Range for structured-products generally ranges from 1.5% - 3.5%

The Firm receives a dealer concessions as broker from the structured product providers.

Alternative Investments

Alternative investments are broadly defined as investments that are anything other than conventional equity and fixed-income investments. Steward Partners offers limited alternative investments that include exchange traded real estate investment trusts (REITS) and alternative mutual funds or alternative ETFs. We, along with your financial advisors, are indirectly compensated in ways that vary depending on the type and terms of the Alternative Investment selected. The types of fees received by us are described below and are disclosed via the subscription agreements/ offering documents. Compensation for these type of products are indirect. Commission paid to us vary by Alternative Investments type and may vary by issuer.

Limitations. Through Raymond James and Associates, less traditional alternative investments in the form of direct purchase non-traded real estate investment trusts (REITS), business development companies, hedge funds, direct participation programs (registered/nonregistered), private placements, limited partnerships, or other illiquid pass-through investments (collectively “Non-traded Alternative Investments”) are available.

Sales Commission Range for Alternative Investments generally ranges from 5.0% - 7.0%

Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial advisors, are indirectly compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your financial advisor can provide you with a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

Sales charges and our compensation can vary according to the terms of the trust. Sales charges for these trusts may range from 1% to 4.5%. There may also be annual organization costs and trust operating expenses that range from 0% to 1.25%.

Your purchase may qualify for breakpoint discounts based on the amount of transaction. See the UIT prospectus for details.

Life Insurance

We offer whole-life, term and universal-life and variable life insurance through our insurance service providers. Under those arrangements, we, including your financial advisor, receive commissions from the sale of life insurance products, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier.

Specific commission information about life insurance policies will be provided at the time of purchase.

Other Forms of Compensation

12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund’s behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family and vary in amount by fund. These fees may be passed on to us and may in turn be passed on to your financial advisor as a commission.

Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation (“Sweep Program”)

The Cash Sweep Program (the "Sweep Program") takes uninvested cash balances in your account – for which no interest is otherwise earned or paid – and automatically sweeps it into interest-bearing deposit vehicle ("Bank Deposit Sweep") or, if available, money market mutual funds ("Money Market Funds") or other sweep arrangements made available to you (collectively "Cash Sweep Vehicles"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account. SPIS and our affiliates, receive fees and benefits for services provided in connection with the Sweep Program. We may choose to make available a default Cash Sweep Vehicle(s) that are more profitable to us than other Money Market Funds or bank deposit vehicle. A portion of these fees are paid to your financial advisor.

The Bank Deposit Sweep consists of interest-bearing accounts at each Clearing Firm's affiliated 3rd party banks, each a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations.

We benefit financially from cash balances held in the Bank Deposit Sweep. As with other depository institutions, the profitability of the banks is determined in large part by the difference or "spread" between the interest they pay on deposit accounts, such as the Bank Deposit Sweep, and the interest or other income they earn on loans, investments and other assets. The banks may pay rates of interest on the Bank Deposit Sweep that are lower than prevailing market interest rates. The participation of the affiliated banks in the Bank Deposit Sweep is expected to increase their respective deposits and, accordingly, overall profits.

Deposits in the Bank Deposit Sweep from your account are not segregated from other deposit funds, so attributing an exact earnings or interest factor applicable to your account's sweep deposits is not possible. Earnings on the float (or the corresponding reduction in borrowing, depending on anticipated funding needs) depends on numerous factors such as current interest rates, Federal Funds rates, credit risk, and the duration of the particular debt instrument. We receive fees and compensation from the Clearing Firm, its affiliated banks and/or their other affiliates in connection with the Bank Deposit Sweep.

Training and Education

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our financial advisors. These meetings or events are held to educate financial advisors on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our financial advisors with providing services to the plan.

Likewise, from time to time, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for financial advisors and participants. Also, financial advisors may receive promotional items, meals or entertainment or other non-cash compensation from product providers. Financial advisors may receive a maximum value of $100 worth of gifts from each product provider per year.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with financial advisors; these relationships could lead to sales of that particular company's products.

We receive varying amounts of training and education compensation from companies. The training and education compensation for centrally organized events may vary per company annually. There are also some companies that do not provide any training and education compensation to us.

Operational Fees

With respect to any brokerage services provided through a brokerage account, the Firm utilizes unaffiliated Clearing Firms to perform trade execution, clearing, and other related services. A portion of the Firm's compensation from clients is paid to the Clearing Firm for its services on a transaction basis in accordance with our fee schedule at each of our Clearing Firm relationship. For more information regarding account fees for brokerage services, please visit our website at www.stewardpartners.com → Regulatory Information & Disclosures → Steward Partners Investment Solutions Fee Schedule.

Revenue Sharing

We receive compensation for using our Clearing Agents' Cash Sweep Program, Free Credit Balance in Margin Accounts, Securities Based Lending, and Postage and Handling Fees. (Please refer to Compensation We Received from Third Parties below for more details.)

Trade Corrections

When a trade error is identified in your account, we will promptly make a trade correction by putting the same position in the account as if the error did not occur. If the trade correction results in a loss in your account, we will retain such losses. If the trade correction results in a gain in your account, we will retain such gain, resulting in a financial benefit to SPIS.

<u>Compensation for Termination of Services</u>

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the Firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies of these terms, contact your financial advisor.

<u>Brokerage – Excluded Advisory Assets</u>

As described above, our brokerage services differ from our advisory services. However, in some instances we may allow an advisory client to trade what are referred to as "excluded assets" within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns.

Our goal is to supply you with information so that you can make an educated decision regarding your investments. Before you choose to invest with us, we suggest you consider the following steps put forward by the SEC:

- **Draw a personal financial roadmap.** Before you make any investing decision, sit down and take an honest look at your entire financial situation.
- **Evaluate your comfort zone in taking on risk.** All investments involve some degree of risk. If you intend to purchase securities—such as stocks, bonds, or mutual funds—it's important that you understand before you invest that you could lose some or all your money. Unlike deposits at FDIC-insured banks and NCUA-insured credit unions, the money you invest in securities typically is not federally insured. You could lose your principal, which is the amount you've invested. That's true even if you purchase your investments through a bank. The reward for taking on risk is the potential for a greater investment return. If you have a financial goal with a long-time horizon, you are likely to make more money by carefully investing in asset categories with greater risk, like stocks or bonds, rather than restricting your investments to assets with less risk, like cash equivalents. On the other hand, investing solely in cash investments may be appropriate for short-term financial goals. The principal concern for individuals investing in cash equivalents is inflation risk, which is the risk that inflation will outpace and erode returns over time.·
- **Consider an appropriate mix of investments.** By including asset categories with investment returns that move up and down under different market conditions within a portfolio, an investor can help protect against significant losses. Market conditions that cause one asset category to do well may cause another asset category to have average or poor returns. By investing in more than one asset category, you may reduce the risk that you'll lose money and your portfolio's overall investment returns might be more consistent. In addition, asset allocation is important because it has major impact on whether you will meet your financial goal(s). If you don't include enough risk in your portfolio, your investments may not earn a large enough return to meet your goal(s). For example, if you are saving for a long-term goal, such as retirement or college, most financial experts agree that you will likely need to include at least some stock or stock mutual funds in your portfolio. Please note that diversification does not assure a gain nor does it protect against a loss of your principal.
- **Be careful if investing heavily in shares of employer's stock or any individual stock**. One of the most important ways to lessen the risks of investing is to diversify your investments. It's common sense: don't put all your eggs in one basket. By picking the right group of investments within an asset category, you may be able to limit your losses and reduce the fluctuations of investment returns without sacrificing too much potential gain.
- **Consider dollar-cost averaging.** Through the investment strategy known as "dollar-cost averaging," you can protect yourself from the risk of investing all your money at the wrong time by following a consistent pattern of adding new money to your investment over a long period of time. By making regular investments with the same amount of money each time, you will buy more of an investment when its price is low and less of the investment when its price is high. Individuals that typically make a lump-sum contribution to an individual retirement account either at the end of the calendar year or in early April may want to consider "dollar-cost averaging" as an investment strategy, especially in a volatile market.
- Consider rebalancing your portfolio occasionally. "Rebalancing" means bringing your portfolio back to your original asset allocation mix. By rebalancing, you'll ensure that your portfolio does not overemphasize one or more asset categories, and you'll return your portfolio to a comfortable level of risk.

If you would like additional information, a more in-depth discussion of these and other risk considerations when making an investment decision can be found on the SEC's Information for Investors website.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify

market tops or bottoms, or insulate Clients from losses due to market corrections or declines.
We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Inflation Risk: This type of risk is the chance that future cash from an investment will not be worth as much due to inflation. Inflation is the increase in the price of goods and services, which causes purchasing pow er to erode.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Specific Investment Risks

Steward Partners and your FA offer various types of investments. The different types of investments we offer and their potential risks are described below.

- **Stock**: A stock, also known as “shares” or ”equity,” gives the stock owner a proportionate ownership position in the company that issues the stock. It entitles the stockholder (you) to that proportion of the company’s assets and earnings. Major risks: Business, Concentration, Currency, Financial, Foreign Investment, Inflation, Market, Political and Governmental

- **Bonds**: This is a fixed income investment that represents a loan by you (the investor) to a borrower (typically a company, government/municipality, or governmental agency). Major risks: Business, Call, Credit, Default, Financial, Inflation, Interest Rate, Liquidity, Reinvestment

- **Notes (Including Structured Notes)**: This is a fixed-income investment where you (the investor) purchase a secured debt(or other assets) and become the lender, after which you receive payments (principal and interest) over a specific period (usually a shorter time period than a bond) from the borrower. Major risks: Call, Credit, Default, Inflation, Interest Rate, Liquidity, Market, Reinvestment Types of Notes include:

  — Principal Protected Note (PPN): This is a fixed-income security that guarantees a minimum return equal to the investor’s initial investment (the principal amount), regardless of the performance of the underlying assets.

  — Non-Principal Protected Note (NPPN): This is a fixed-income security that does not guarantee a minimum return equal to the investor’s initial investment (the principal amount), because it allows investors to customize the date of return to suit their investment needs. NPPNs can be linked to a variety of underlying investments including indices, single stocks, portfolios of shares, industry sectors, commodities and currencies.

- **Certificate of Deposit (CD) (Including Structured CDs):** This is a fixed-income investment where you (the investor)deposits a sum of money for a specified period and you will receive either a specific rate of interest or a rate of interest linked to an index with a capped gain. Certain CDs can be FDIC insured. Major risks: Call, Default, Inflation, Interest Rate, Market, Reinvestment

- **Unit Investment Trust (UIT):** This is where a U.S. financial company buys or holds a group of securities, such as stocks or bonds, and makes them available to investors as redeemable units. UITs have a stated expiration date based on what investments are held in their portfolio; when the portfolio terminates, investors get their share of the UIT's net assets. Major risks: Business, Credit, Interest Rate, Liquidity, Market, Reinvestment

- **Exchange Traded Fund (ETF) and Exchange Traded Note (ETN):** An ETF is a basket of securities that trades on an exchange (open stock market), just like a stock and it often seeks to track an underlying index. ETF share prices fluctuate throughout the trading day as the ETF is bought and sold; this is different from mutual funds that only trade once a day after the market closes. An ETN is a debt instrument that mimics the performance of a basket of securities but does not actually hold them for the benefit of the investor. An ETN is an obligation of the issuing company, often an investment bank. Major risks: Concentration, Currency, Foreign Investment, Inflation, Liquidity, Manager, Market, (for ETN: Credit risk)

- **Mutual Fund:** This is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities. Mutual funds give small or individual investors easier access to diversified, professionally managed portfolios. Mutual funds are divided into several kinds of categories, representing the kinds of securities they invest in, their investment objectives, and the type of returns they seek. Mutual funds charge annual fees (called expense ratios) and, in many cases, commissions, which can affect their overall returns. Most mutual funds offer you different types of shares, known as "classes." Each class invests in the same portfolio of securities and has the same investment objectives and policies. But each class has different shareholder services and/or distribution arrangements with different fees and expenses. With an open-end fund, if you want to buy shares, the management company will sell them to you. They will take your money, add it to the portfolio, and create more shares. You always buy or sell shares of an open-end fund with the issuing fund company, never on the secondary market.

  — Mutual Fund Share Classes:: Many mutual funds offer more than one class of shares, commonly including Class A or C shares, in order to accommodate different investment needs and time horizon. Each share class represents an interest in the same mutual fund's investment portfolio but with different fees and expenses. Major risks: Concentration, Currency, Foreign Investment, Inflation, Manager, Market

  — Class A Shares: Class A shares typically assess a front-end sales charge at the time of purchase. However, they have lower annual operating expenses than C shares and generally offer a reduced sales charge based on defined thresholds of dollars invested in the same family of funds. These reduced sales charges may be achieved through the following:

  • Breakpoint – Purchases that exceed certain thresholds that qualify you for a reduced front end sales charge. Breakpoints typically begin at $25,000 and offer increasing discounts as holdings reach higher thresholds.

  • Rights of Accumulation (ROA) – Aggregation of holdings from prior purchases within the same fundfamily can be added to the value of a new purchase for breakpoint purposes. This aggregation may allow for all accounts of your household to qualify for reduced sales charge based on total investments within the fund family and across registrations of the household.

  • Letter of Intent (LOI) – This pledge to a fund family allows the investor to receive a reduced sales charge on all purchases if the investor commits to purchasing a breakpoint eligible amount within 13 months.

  — Class C Shares: Class C shares typically do not assess a front end sales charge. C shares do, however, assess a contingent deferred sales charge (CDSC) if the shares are sold within 12 months from the purchase date. C shares typically carry higher expenses than A shares of the same fund. The expense ratio varies from fund family to fund family but is typically about .75% greater for C shares than A shares. C shares typically do not convert to A shares upon expiration of the CDSC or thereafter.

— Other Share Classes: Some fund families may have other shares classes but the shares classes noted above are the primary classes of shares. Please consult the prospectus for the fund family you are considering for details about other shares classes, if applicable.

— Share Class Selection: There are a number of factors that can impact your decision on share class selection. Some of those factors include the following:

• While it is common for an investor to diversify their mutual fund holdings among several mutual fund families, you should carefully evaluate the benefits and the costs of doing so. For example, investing in mutual funds offered by multiple fund families may preclude you from being able to take advantage of breakpoints that would otherwise be available had you invested through one fund family. Prior to making any mutual fund investment, you should always carefully review the sales charges associated with that transaction and evaluate how those charges will be affected by mutual fund investments you have previously made or that you intend to make in the future.

• Long-term investors who intend to hold mutual funds within that same fund family for a number of years generally will find A shares to be a good option particularly for larger breakpoint eligible investment amounts within a fund family.

• An investor that is looking for asset allocation flexibility across fund families will generally find C shares to be a good option. That flexibility generally come with greater expenses if the funds are held longterm which may negatively impact performance.

— Time Horizon: It should be noted that your Time Horizon is the length of time before you plan to withdraw most or all of your funds from the account. You may have a different Time Horizon for a portion of the funds in your account or a Time Horizon for specific investments within the accounts. In other words, a Long Time Horizon does not necessarily translate into use of A shares because while the account level Time Horizon may be long the individual holdings in the account may have the potential for shorter term holding periods.

- **Annuity:** This is a long-term investment that is issued by an insurance company designed to help protect the annuitant from the risk of outliving the income generated by their deposits into the contract. Because these are long-term vehicles, annuity contracts include contingent deferred sales charges ("CDSCs") that would result in a forfeiture of a percentage of account value if surrendered prior to their expiration, typically three to 10 years depending on the contract. Annuities have two phases. Phase one of the annuity contract is known as the accumulation phase, w here deposits are designed to accumulate on a tax-deferred basis. During the accumulation phase contract holders can choose annuities with any one or, in some cases, a combination of the following accumulation account options:

— Variable Annuity: This is a tax-deferred retirement contract that allows you to choose from a selection of investments called subaccounts. These investments are designed to provide contract holders with a diversified investment portfolio in a specified asset class or general investment strategy. Subaccounts are managed by an investment specialist or a team of specialists who make decisions to manage the subaccount based on the stated objective. Each subaccount will have a unique expense ratio based on the services provided by the investment specialist team. For example, a subaccount designed to follow the return of a stock index, such as the S&P 500 will have a lower expense ratio than a subaccount seeking to actively manage a portfolio based on a stated objective. Major risks: Business, Credit, Liquidity

— Investment-only Variable Annuity (IOVA): This is a type of annuity contract that provides you with a simple way to set aside taxable assets in a tax-deferred entity focused on investments only. Unlike most variable annuities which offer living income stream and death benefits (for a cost), IOVAs only offer investments and the ability to access the assets without penalty as early as age 59 ½. Major risks: Business, Liquidity, Market

— Registered Index Linked Annuity (RILA): This is a type of annuity contract that calculates account value adjustments based on the performance of a specified market index, such as the S&P 500. The account value will receive protection against market losses typically through a buffer (carrier accepts the first xx% of losses and the account accepts any additional losses in market value) or a floor (the account accepts the first xx% of loses and the carrier accepts any additional losses in market value). This protection is in exchange for limiting gains in account value to a cap (a maximum account value increase of xx%) or a participation rate (account participates in xx% of the market gains). Fees and caps may limit the potential upside. At the end of the sample period, the account value could increase or decrease. —Major risks: Business, Liquidity, Market

Phase two of the annuity contract is known as the annuitization phase. This option converts your purchase payments (what you contribute) and accumulated growth (if any) into periodic payments that can be paid out under various payment options, including a lifetime option. Annuities can provide investors with additional benefits above and beyond tax deferred growth in the form of living benefits or enhanced death benefits including but not limited to the following.

— Guaranteed Minimum Withdrawal Benefit (GMWB): Guarantees investors a stream of lifetime income based on a percentage of the contract's benefit base. Lifetime GMWB payments are available without having to immediately annuitize the contract.

— Guaranteed Minimum Accumulation Benefit (GMAB): Guarantees a certain portion of the investment is returned to the contract owner regardless of the performance of the subaccounts.

— Guaranteed Minimum Death Benefit (GMDB): Guarantees an enhanced benefit to the contract owner's beneficiaries regardless of the account value on the date of death. These benefits can be based on a return of the initial investment, the highest contract value on the contract's anniversary over a specified period of time or increase at a specified percentage over a period of time.

- **Life Insurance**: A life insurance policy is a contract that in exchange for premium payments is designed to pay a sum of money at the death of an insured person, either individually or as a member of a group of insured persons. Death benefit payments under a life insurance policy are typically income tax-free to the beneficiary(ies) and are designed to replace income lost due to the death of the insured or for multiple estate planning scenarios. Life insurance is categorized as term (viable for a specific period of time) or permanent (can be designed to remain in effect for the insured's entire life). Permanent life insurance allows the contract owner to accumulate cash value and use the accumulated cash value for other purposes, including investing within the life insurance contract or withdrawing it to meet other financial needs. Major risks: Concentration, Currency, Foreign Investment, Inflation, Manager, Market

  — Variable Universal Life: This type of life insurance allows you to choose from a selection of investments called subaccounts. These investments are designed to provide contract holders with a diversified investment portfolio in a specified asset class or general investment strategy. Subaccounts are managed by an investment specialist or a team of specialists who make decisions to manage the subaccount based on the stated objective. Each subaccount will have a unique expense ratio based on the services provided by the investment specialist team. For example, a subaccount designed to follow a stock index such as the S&P 500 will have a lower expense ratio than a subaccount seeking to actively manage a portfolio based on a stated objective. Major risks: Business, Liquidity, Market

- **529 Investment:** A 529 plan is a college savings plan that offers tax and financial aid benefits. 529 plans may also be used to save and invest for K-12 tuition in addition to college costs. The investments in 529 plans can include various mutual funds and ETFs and are offered as a single investment as well as in risk-based or enrollment (or age-based) portfolios. Major risks: Concentration, Currency, Foreign Investment, Horizon, Market

  State-Specific Considerations:

  — Depending upon the laws of your home state and/or the home state of the designated beneficiary, favorable state tax treatment or other benefits offered by your home state for investment in a 529 Plan may be available only if you invest in your home state's 529 plan.

— If you contribute to a 529 Plan offered by a state in which you are not a resident, you should consider whether your, or your designated beneficiary's home state offers any state tax or other benefits, which may include financial aid, scholarship funds and protection from creditors, only available for investments in such state's qualified tuition program.

— For additional details on the risks, Federal and State tax treatment, share classes, costs and fees of 529 plan investments, refer to the 529 Plan Brochure and the 529 Plan Official Statement/Plan Description, which is located on the 529 plan sponsor's website, or obtain from your FA.

- **1031 Exchange:** An alternative investment, this real estate exchange gets its name from Section 1031 of the U.S. Internal Revenue Code, which allows the seller of an investment property to defer paying capital gains taxes when the investment property is sold and reinvest the proceeds from the sale within certain time limits in a property or properties of a like kind and of equal or greater value. Major risks: Business, Concentration, Credit, Financial, Inflation Interest Rate, Liquidity, Manager, Political and Government

- **7(21) Exchange:** An alternative investment whereby real estate is exchanged for Operating Partnership Units in a REIT. The product gets its name from Section 7(21) of the U.S. Internal Revenue Code which allows the seller of an investment property to defer paying capital gains taxes when the investment property is sold if the property is directly exchanged for OP Units of a REIT. Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Political and Government

- **Closed-end Fund:** This is a type of investment vehicle where, at fund inception, the investment company raises a set amount of money and issues a specific number of shares. No new shares are created after that point. Investors can buy the fund shares only on the secondary market, from someone else who is selling shares. Like stocks, closed-end fund shares can be traded at any time of the day when the market is open. The shares reflect market values rather than the net asset value of the fund itself. Major risks: Concentration, Currency, Foreign Investment, Inflation, Manager, Market

- **Hedge Fund:** This is a broad alternative investment category of pooled investment vehicles with a variety of strategies. Strategies may include investing in non-traditional asset classes, using leverage, or taking short positions. Hedge funds are not subject to the same regulation as mutual funds and access is often limited to institutions or wealthy individuals. Major risks: Business, Concentration, Currency, Interest Rates, Liquidity, Manager, Market

- **Exchange Fund**: This is an alternative investment which is also known as a swap fund. It is an arrangement between a product sponsor and concentrated shareholders of different companies that pools shares and allows you to exchange your large holding of a single stock for units in the entire pool's portfolio. — Major risks: Business, Concentration, Liquidity, Manager, Market

- **Interval Fund:** This is a type of investment company that invests in non-listed/non-traded and other illiquid investments. These shares typically do not trade on the secondary market but are subject to periodic repurchase offers by the fund at a price based on net asset value. Major risks: Credit, Liquidity, Manager, Market

- **Managed Futures:** This is an alternative investment where a portfolio of futures contracts is actively managed by professionals. Managed futures are often used by funds and institutional investors to provide both portfolio and market diversification. Major risks: Foreign Investment, Horizon, Inflation, Interest Rate, Market

- **Non-Traded REIT:** This is an alternative real estate investment designed to reduce or eliminate tax while paying dividends and/or providing returns on real estate appreciation. A non-traded REIT does not trade on a securities exchange and, is therefore quite illiquid for extended periods of time. Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Manager, Political and Government

- **Non-Traded BDC (Business Development Companies):** This is an alternative investment where a pooled investment vehicle originates or invests in equity or debt of private companies. Like REITs, Business Development Companies are permitted favorable tax treatment if they meet minimum IRS criteria. A non-traded BDC does not trade on a securities exchange and is, therefore, quite illiquid for extended periods of time. Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Manager, Political and Government

- **Private Equity Fund**: This is an alternative investment where Private equity firms form a general partnership to raise funds from institutions and wealthy individuals. The partnership then invests these funds by purchasing and selling various businesses. After raising a specified amount, a fund will close to new investors; eventually, each fund is liquidated, selling all the businesses therein within a preset time frame, usually no more than ten years. Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Manager, Market, Political and Government

- **Oil and Gas Drilling:** This is an alternative investment in an oil and gas program where a general partnership is formed to raise funds from institutions and wealthy individuals. An oil and gas program is designed for people to invest directly in oil and gas production and exploration. It is a type of investment that allows the investor to gain the benefits of the cash flow and tax advantages from the investment. In many oil and gas programs, profits and losses can be passed directly to investors, as owners of the entity. Oil and gas investment requires a substantial amount of due diligence and can have varying levels of risk, and significant risk based on fluctuations in the underlying price of the commodity. Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Manager, Political and Government

- **Non-Traded Preferred Stock:** Preferred stock is a type id security that has characteristics of both common stock and bonds. Non-traded preferred stock does not trade on a securities exchange and may be illiquid for an extended period of time. Major risks: Business, Call, Concentration, Credit, Financial, Inflation, Liquidity

- **Other Private Securities**: Other private securities not specifically discussed above may be structured in a variety of ways (e.g., interests in a partnership or an LLC) and have a variety of strategies (e.g. owning real estate or private debt), Private securities are not subject to registration, and are not traded on a securities exchange. Private securities may be completely illiquid for a long period of time. Major risks: Business, Concentration, Financial, Liquidity, Manager

When you are deciding whether to purchase a specific investment, make sure you obtain, review, and discuss with your FA the documentation related to the investment which outlines the details of the investment (i.e., annual reports, prospectuses, and offering memorandums that discuss the structure of the investment, fees/costs, management, portfolio, restrictions, contributions, distributions, risks, etc.) The documentation should be provided by your FA or can be obtained directly from the investment sponsor.

Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial advisors, our clients and third parties. We offer a broad range of investment services and products, and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our financial advisors, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial advisors receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

Compensation We Receive From Clients

Transaction-based conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, annuities, life insurance, market-linked investments, structured products, unit investment trusts, exchange traded products, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor may receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that may carry higher fees, instead of products that carry lower fees or no fees at all.

Markups and markdowns for principal transactions

When you buy or sell fixed income in a brokerage account, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference between the price you pay for securities purchased from us (markup) and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Account maintenance and other administrative fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis by the Clearing Firm. The higher the fees charged, the more we are compensated.

Compensation We Receive from Third Parties

Third-party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors. The types of third-party compensation we receive include:

- **Revenue Sharing.** We have revenue sharing arrangements with our Clearing Firms in the following activities:
  - Cash Sweep Program
  - Free Credit Balance in Margin Accounts
  - Securities Base Lending
  - Postage and Handling Fees
- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial advisors. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that may pay us higher trails.

Additional Compensation from Product Sponsors and Other Third Parties
We and our financial advisors, associates, employees, and agents receive additional compensation from Product Sponsors and other third parties including:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and financial advisors, and for conferences and events that we sponsor.
- Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.
- Marketing allowances and payments from our Strategic Partners. For additional information on this indirect compensation, please visit the Regulatory Information and Disclosures section of www.stewardpartners.com.

The amount of these payments is not dependent on or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

Product Share Classes
Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We may benefit by making available those share classes or other product structures that will generate the highest compensation to us.

Payment for Order Flow
We do not have any arrangements where we received payment for order flow.

Compensation Related to Proprietary Products
Brokerage recommendations can include a recommendation to invest in a product or service that is managed, issued, or sponsored by us or our affiliates. We and our affiliates will receive additional compensation or economic benefits from investments by you in such products, including, but not limited to, management credits, service fees, and similar revenue-sharing arrangements. The compensation for these may be greater than similar products provided by third parties. Thus, we have an incentive to recommend investments in proprietary/affiliated products.

Cash Sweep Program
SPIS receives various revenue streams, including, but not limited to substantial revenue sharing payments from Pershing based upon clients' cash sweep balances. The Firm's receipt of these and other revenue streams through its custodial relationship supports and defrays the costs the Firm has related to the ongoing operational and administrative maintenance of client accounts and compensates us for the various services it provides in its role as broker-dealer of record and/or program sponsor for such client accounts. Cash Sweep program(s) should not be viewed as a long-term investment option and

are solely used to hold uninvested cash balances.

This compensation structure creates a conflict of interest because cash sweep elections will impact both what you receive in interest and what the firm receives in compensation. The Standard Bank Deposit Sweep. Standard Bank Deposit Sweep will be more profitable to us than the Expanded Bank Deposit Sweep, which means we will receive a greater benefit if you select the Standard Bank Deposit Sweep as your Cash Sweep. In addition to disclosing it to you, this conflict is mitigated by the controls around billing on cash balances. This conflict is further mitigated because SPIS does not share any portion of this revenue with your IAR.

Unless another option is chosen at account opening, the default cash sweep vehicle is the Dreyfus Insured Deposits Program H ("DIDH"). DIDH is an interest-bearing position that is eligible for Federal Deposit Insurance Corporation (FDIC) insurance coverage. It is important to note that DIDH is not an FDIC-insured product. The product is intended to direct the cash balance in your account to multiple participating program banks in a manner intended to secure pass-through FDIC insurance coverage on your balance from each participating bank.

DIDH offers a higher amount of revenue sharing than other available cash sweep options. The receipt of this revenue sharing presents a conflict of interest because the Firm has a financial incentive to have clients utilize the default cash sweep vehicle. This conflict is mitigated by disclosing it to you. Further, clients should note that although a default cash sweep vehicle is selected, clients have the ability to seek higher yields in other available cash sweep vehicles or money market mutual funds.

If you are seeking the highest yield currently available in the market for your cash balances please contact your IAR to discuss investment options available outside of the available sweep features that may be more suitable for your investment goals.

Free Credit Balance in Margin Accounts

Free credit balance is the available cash balance in a margin account. The free cash balance is calculated as the total uninvested account value in the margin account after margin requirements, short sale proceeds, received dividends, and purchase transactions awaiting settlement are taken. We receive fees and benefits when you keep a free credit balance in their margin account. Clients who maintain a higher free credit balance, the higher the fees we will receive. The receipt of this revenue sharing presents a conflict of interest because the Firm has a financial incentive to have clients utilize margin. This conflict is mitigated by disclosing it to you. Depending on the Clearing Firm, the revenue shared will vary.

Securities Based Lending Interest

Securities based lending ("SBL") is a flexible line of credit you can use by collateralizing eligible assets in your brokerage account(s). We receive a fee and benefits when you set up and use your SBL established with the Clearing Firm(s). We receive a part of the interest that is assessed to your SBL. The higher your SBL balance, the higher the fees we receive. The receipt of this revenue sharing presents a conflict of interest because the Firm has a financial incentive to have clients utilize SBL. This conflict is mitigated by disclosing it to you. Depending on the Clearing Firms, the revenue shared will vary.

Postage and Handling Fees

Postage and Handling Fees are charged on most transactions as indicated on the confirmation you receive. Specific transactions and account types, such as managed accounts, are exempt from this fee. In some case, we receive a part or all of this fee. Please refer to our Fees Schedules in the Regulatory Information and Disclosures section of www.stewardpartners.com. The greater the number of transactions, the more fees we receive. Receiving this revenue sharing presents a conflict of interest because the Firm has a financial incentive to have a client trade. This conflict is mitigated by firms policies and procedures that are reasonably designed to ensure recommendations are in your best interest. Depending on the Clearing Firm, the revenue shared will vary. Depending on the Clearing Firm, the fee shared will vary.

Compensation Related to Affiliates

SPIS and its affiliate, Steward Partners Global Advisory, LLC ("SPGA") have an expense and revenue sharing agreement. The generated brokerage product revenue is shared with SPGA. Our financial advisors are employees of SPGA.

Compensation Related to Non-Affiliates
SPIS has a networking agreement with Umpqua Bank, where compensation and referral fees may be shared. A nominal fee may be paid to the referring bank employee for qualified referrals from Umpqua Bank. Within regulatory guidelines, qualified referring bank employee may receive a greater than nominal fee payable for prospects who are considered high net worth referrals.

Compensation Received by Financial Advisors
Financial advisors are compensated in various ways based on the percentage of revenue generated from sales of products and services to clients and/or including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront transaction-based compensation, some products feature ongoing residual or “trail” payments. Thus, financial advisors may be incentivized to recommend products with higher fees and those with ongoing payments.

Typically, a financial advisor’s payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when financial advisors discount certain client fees and commissions. Financial advisors also may be eligible for annual or ongoing bonuses and deferred compensation awards based upon a variety of factors that may include reaching certain production levels, tenure with the Firm, client product mix, asset gathering, referrals to affiliates or other targets, as well as compliance with our policies and procedures and meeting best business practices.

As a result, financial advisors have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial advisors also have an incentive to provide brokerage recommendations to gather more assets under management, increase brokerage trading activity, and reduce the number of discounts available to you.

Financial advisors have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to help ensure that rollover recommendations are in your best interest.

Unlike advisory accounts, brokerage accounts do not feature an ongoing fee based on assets under management. Financial advisors may be incentivized to recommend you transition your brokerage services account to an advisory account to generate ongoing revenue where your brokerage account has minimal activity. Further, financial advisors may be incentivized to recommend that you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial advisors also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation is provided to financial advisors who join our Firm from another financial firm. This compensation, which may vary by financial advisor, often includes an upfront award based on the financial advisor’s revenue earned at their previous firm. This creates an incentive for the financial advisor to recommend the transfer of assets to the Firm, including brokerage assets, in order to earn this compensation.

Noncash compensation is provided to financial advisors in the form of credits toward business expense accounts. Financial advisors are also compensated in the form of educational meetings and recognition trips. Portions of these programs are subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with financial advisors, which could lead to sales of such product provider’s products. Financial advisors also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to
$100 per year for gifts per vendor.

Growth Award Program
The Growth Award Program ("Program") is intended to incentivize financial advisors who grow their business by providing them with additional equity ownership in our parent company, Steward Partners

Management Holdings ("SPMH"). The program incentivizes a financial advisor who has a certain amount of growth in revenue as determined by the Firm in its sole discretion. An additional award representing a percentage of the amount awarded to the financial advisors may be distributed among the financial advisors or financial advisors' Support Staff, subject to the Firm's sole discretion and with Management Approval. The review period is based on Calendar Year production (January through December). Please contact us for further information on the program.

This Program presents a conflict of interest between the financial advisors and you as a client since it creates a financial incentive for the financial advisors to increase their revenue rather than acting in your best interest. However, as a fiduciary, SPIS and our financial advisors have an obligation to always put your interests first. In assessing whether this standard is met, we must determine whether our recommendations and investment strategies are not only appropriate for you but are in your best interests as well. We periodically evaluate the holdings in your account and the advice provided to you to ensure it aligns with your current investment objectives and risk tolerance. In addition, whenever trading may create a conflict of interest, we have an obligation to obtain your informed consent after providing full and fair disclosure of all material facts. While we cannot mitigate the conflict of interest, we believe the disclosures provided herein are sufficient for you to provide us with your informed consent before we engage in trading activity on your behalf.

Financial Advisor Loans

Steward Partners Global Advisory, LLC and its affiliates other than SPIS (collectively, "Steward Partners") in order to facilitating the recruitment of financial advisors and the acquisition of existing broker-dealer firms ("BDs") offers recruited financial advisors and the financial advisors of acquired BDs recruitment loans (the "Recruitment Loans").

Any Recruitment Loans would be expected to have a term of up to ten (10) years and would be accompanied by an unrelated bonus agreement which would allow the recipient financial advisor of the loan with monies over a similar period to repay the loan over time (the "Bonus Agreement"). These Recruitment Loans and the Bonus Agreement payments would constitute an additional economic benefit for SPIS financial advisors. Notwithstanding the Credit Facility, any financial advisors that are recruited or acquired, as the case may be, can choose any of the available custodian and clearing platforms that SPIS has established.

The receipt of Recruitment Loans may present a conflict of interest because recruited or acquired financial advisors are incentivized to recommend that clients utilize Goldman Sachs for custody and clearing services in order to receive such a Loan, rather than basing such recommendations on a client's particular needs or best interest. The Recruitment Loans incentivize Steward Partners, SPIS and its financial advisors to recommend that existing clients begin or continue to utilize the services of SPIS.

This may also present a conflict of interest as SPIS's financial advisors' compensation and Bonus Agreement payments are directly related to the amount of revenue generated from brokerage fees and will be higher as more client assets remain at, or are directed to, SPIS. Please note that SPIS's financial advisors when making a recommendation must do so in your best interest.

These conflicts are mitigated by disclosing them to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Other Financial Advisor Activities

Financial advisors may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients.

Financial advisors who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial advisors who receive clients from a retiring financial advisor may be incentivized to meet growth goals and may make recommendations not in your best interest.

Internal campaigns and recognition efforts may incentivize financial advisors to engage in activities to reach incentive goals.

Additional Resources

For additional information please contact your Financial Advisor or visit us at Regulatory Information and Disclosures at www.stewardpartners.com, e-mail us at info@stewardpartnersis.com or call us at 800-452-1929.