PRIVATE CLIENT SERVICES™

MEMBER FINRA, SIPC
A Registered Investment Advisor

Customer Account Disclosures

The disclosures contained in this packet provide important information about the account you are establishing through Private Client Services as well as information related to some of the investment products and services you may select to purchase within your account. Also included is information related to the types of accounts and services available through Private Client Services including potential conflicts of interest. Please review the information carefully. If you have questions related to this information, please contact your financial professional.

Corporate headquarters located at
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Account Registration Definitions

The following list represents the most common account registrations. Please note that not all registrations are available for all types of business or with all vendors. Please consult with your financial professional about registration types available to you.

Account Type	Definition
Retail/Individual	An individual account has the name of one, and only one, account owner attached to the account, which allows for the deposit of funds to buy and sell investment products.
Joint - WROS	A joint account with rights of survivorship is shared by two or more individuals who have equal rights to the account. If one owner dies, the survivor(s) will automatically receive the decedent's share of the account.
Joint - Tenants in Common	A joint account with tenants in common is shared by two or more individuals who have equal rights to the account. If one owner dies, there is no right of survivorship. Instead, the decedent's share of the account will go to his/her estate.
Individual TOD	An individual account has the name of one, and only one, account owner attached to the account, which allows for the deposit of funds to buy and sell investment products. The account owner designates a beneficiary or beneficiaries at account opening, and ownership of the account is transferred to the named beneficiary(ies) upon death. The beneficiary(ies) has no legal rights until the account owner dies.
Joint Tenants TOD	A joint account with rights of survivorship is shared by two or more individuals who have equal rights to the account. When one tenant dies, ownership of the account passes to the remaining individual(s) owner. Upon the death of the remaining owner(s), the account ownership passes to the named beneficiary(ies).
IRA	A traditional IRA allows an individual to deduct retirement contributions from taxable income subject to income thresholds, contribution limits and other restrictions. The earnings on the investments in your IRA account grow tax-deferred. That means you will only face taxes on earnings when you withdraw money from your IRA account and possible penalties for withdrawals prior to age 59 1/2. After age 70 1/2, there are Required Minimum Distributions. Those seeking an immediate tax break and/or those who expect to be in a lower tax bracket upon retirement than they are at present may find traditional IRAs to be a particularly good choice. For more information on requirements, please contact your Financial Advisor.
Rollover IRA	A Rollover IRA account is opened to transfer the funds from one qualified retirement account to another.
Roth IRA	A Roth IRA is a retirement account whose contributions are not tax-deductible. Unlike an IRA, earnings may be withdrawn tax free as long as the account has been open at least five years and you are 59½ or older. Contributions can be withdrawn any time without taxes or penalty. For more information on eligibility requirements or income limits, please contact your Financial Advisor.

Roth Conversion IRA	A Roth-conversion account is opened to facilitate the transfer of assets from a tax-deductible traditional IRA to a non-deductible Roth IRA. Individuals opening a Roth Conversion account are encouraged to discuss potential tax consequences with their tax advisor.
SEP IRA	A SEP (Simplified Employee Pension) IRA account is tax-deferred retirement vehicle for small businesses and the self-employed. For more information on eligibility requirements and contribution limits of SEP IRAs, please contact your Financial Advisor.
SIMPLE IRA	The Savings Incentive Match Plan for Employees (SIMPLE) is available to companies that employ fewer than 100 people. If your employer offers a SIMPLE plan and you earn $5000 or more, you must be included in the plan. Employers can choose to make a 2% retirement account contribution to all employees or an optional matching contribution of up to 3%. SIMPLE IRAs have contribution maximums; please refer to your Financial Advisor for contribution limits specific to your individual situation.
SARSEP IRA	A SARSEP IRA account is a tax-deferred retirement plan account owned by an employee of business with fewer than 25 employees. Individuals should consult their Financial Advisor for eligibility requirements and contribution limitation information.
401(k)	A 401(k) account is a qualified, employer-sponsored retirement plan account that allows an individual to divert pre-tax earnings into the purchase of securities products. Please consult your Financial Advisor for information on eligibility and contribution limitations.
Single K	A Self-Employed 401(k), or Single (k) account is a qualified 401(k) retirement account covering a business owner with no employees, or that person and his or her spouse, and allows for the purchase and sale of securities products.
403(b)	A 403(b) account is a qualified, employer-sponsored retirement plan account open to employees of non-profit organizations and government. The account allows an individual to divert pre-tax earnings into the purchase of securities products. Please consult your Financial Advisor for information on eligibility and contribution limitations.
529 College Plan	A 529 college savings plan allows earnings to grow tax-deferred, and withdrawals are tax- free when used for qualified education purposes. Every state offers at least one of these types of plans, and some states offer tax advantages to residents who participate in their state's plan. Prior to investing, individuals should discuss whether his or her state has allowable tax deductions for qualified contributions with their Financial Advisor.
Coverdell / ESA	Education Savings Accounts (ESAs) offer a tax-advantaged way to pay for education and have broader investment options that a 529 plan. Contributions into an ESA are not deductible but earnings are tax-deferred, and withdrawals used for qualified education expenses are tax-free.
UTMA / UGMA	An account opened under the Uniform Transfer to Minors Act (UTMA) or the Uniform Gift to Minors Act (UGMA) allow minors to own and receive securities, subject to various legal limitations. A UTMA or UGMA may only be opened by a custodian for benefit of the minor until the minor reaches the designated legal age of majority. Custodians should consult their Financial Advisor for additional details on age restrictions by state.

Trust	An account opened by the designated trustee of a funded trust, which allows for the deposit of funds to buy and sell investment products for the benefit of the trust.
Estate	An account opened following the death of an individual investor to facilitate the transfer of cash and/or securities registered to the deceased to the designated beneficiary(ies). Depending on state law and size of the estate, a court appointed fiduciary may be required.
Corporation	An account owned by a legal entity which requires a corporate resolution listing the names of individuals who may transact business in the company's name.
Partnership	An account held by two or more parties for an entity governed by a partnership agreement.
Institution	An account owned by a registered investment company, an insurance company, pension fund, bank or any other person (whether a natural person, corporation, partnership trust or otherwise) with total assets of at least $50 million, which allows for the deposit of funds to buy and sell investment products.
Government Entity	An account owned by a government entity, such as a municipality or city, which allows for the deposit of funds to buy and sell investment products.
Financial Institution	An account owned by a financial institution, such as a bank or credit union, which allows for the deposit of funds to buy and sell investment products.
Non-Profit Organization	An account owned by an entity recognized as federally tax exempt, such as a charity or private foundation, which allows for the deposit of funds to buy and sell investment products.
Custodial / Guardian	An account for people, either minors or adults, who are unable to manage their own investments due to age or mental or physical incapacity. A court appointed fiduciary is required. Each state may have its own restrictions, such as allowable types of investments and use of funds.

Customer Account Agreement

1. Provision in the Event of Failure to Pay or Deliver: Whenever I (we) do not, on or before the settlement date, pay in full for any security purchased for my (our) account, or deliver any security sold for such account, you are authorized (subject to the provisions of any applicable statue, rule, or regulation):

   A. Until Payment or delivery is made in full, to pledge, re-pledge, hypothecate, or re-hypothecate, without notice, any or all securities which you or your clearing agent may hold for me (either individually or jointly with others), separately or in common with other securities or commodities or any other property, for the sum then due or for a greater or lesser sum and without retaining in your possession and control for delivery a like amount of similar securities.

   B. To sell any or all securities which you or your clearing agent my hold for me (either individually or jointly with others), to buy in any or all securities required to make delivery for my (our) account, or to cancel any or all outstanding orders or commitments for my (our) account.

2. Cancellation Provisions: You are authorized, in your discretion, should I (we) die or should you for any reason whatever deem it necessary for your protection, without notice, to cancel any outstanding orders in order to close out my (our) accounts, in whole or in part, or to close out any of the commitments made on my (our) behalf.

3. General Provisions: Any sale, purchase, or cancellation authorized hereby may be made according to your judgment and at your discretion on the exchange or other market where such business is then usually transacted, at public auction, or at private sale without advertising the same and without any notice, prior to tender, demand, or call. You may purchase the whole or any part of such securities free from any right of redemption, and I (we) shall remain liable for any deficiency. It is further understood that any notice, prior to tender, demand, or call, from you shall not be considered a waiver of any provision of this agreement. I (we) shall include any person executing this agreement.

4. Successors: this agreement and its provisions shall be continuous and shall inure to the benefit of your present organization, and any successor organization or assigns, and shall be binding upon me (us) and/or the estate, executors, administrators, and assigns of my (our) account.

5. Age: I (we), if an individual, represent that I (we) am (are) of full age.

6. Interest in Account: No one except me (us) has an interest in any of my (our) accounts with you unless such interest is revealed in the title of such account, and in any case, I (we) have the interest indicated in such title.

7. Orders and Statements: Reports of the execution of orders and statements of my (our) accounts with you unless such an interest is revealed in the title of such account shall be conclusive if not objected to in writing, the former within two days and the latter within ten days, after forwarding by you to us by mail or otherwise.

8. Extraordinary Events: You shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, government restrictions, exchange, or market rulings, or other conditions beyond your control.

9. Fees and Charges: I (we) agree to the fees and charges on the fee schedule received by me (us). You may change the fee schedule from time to time.

10. Joint Accounts: If this is a joint account, unless we notify you otherwise and provide such documentation, as you require, the brokerage account(s) shall be held by us jointly with rights of survivorship (payable to either or the survivor of us). Each joint tenant irrevocably appoints the other as attorney-in-fact to take all action on his or her behalf and to represent him or her in all respects in connection with this Agreement. You shall be fully protected in acting but shall not be required to act upon the instructions of either of us. Each of us shall be liable, jointly and individually, for any amounts due to you pursuant to this Agreement, whether incurred by either or both of us.

11. Pershing Account Electronic Delivery Terms: You agree that account communications may be available in an electronic form. Account communications will be available in portable document format (PDF). You affirm that you have installed a recent version of Adobe Acrobat Reader or other software application that enables you to view and print your account communications. You may print or save a copy of any of the account communications at any time. You may request a mailed copy of any of your account communications by contacting your financial organization. An electronic mail ("email")

notification will be sent when account communications are available to be accessed. The email notification(s) will be sent to the email address(es) you provided directly to your financial organization or provided by registering for electronic delivery. In the event that a notice of undeliverable status of an email notification is received by Pershing, your financial organization or Pershing may send a paper notification by U.S. mail to the postal address you provided directly to your financial organization. In the event of an email notification failure, Pershing may discontinue your enrollment in electronic delivery and reset your account communications delivery preferences so that future documents will be delivered to your mailing address of record in paper form. By providing this Electronic Delivery Consent, you affirm that you have provided a valid email address, have access to the Internet and are at least 18 years of age. You agree that electronic delivery of the account communications is deemed accepted, regardless of whether you access or view a particular account communication document. You acknowledge that any authorized users for your account are able to make changes to the electronic delivery settings for your account, and you agree to accept responsibility for such changes. You may change your delivery preferences at any time by following the instructions on the website, or by contacting your financial organization directly for assistance.

12. Address: Communications may be sent to me (us) at my (our) current address, which is on file at your office, or at such other address as I (we) may hereafter give you in writing. All communications so sent, whether by mail, telegraph, messenger, or otherwise, shall be deemed given to me (us) personally, whether actually received or not.

13. Recording Conversations: I (we) understand and agree that for our mutual protection you may electronically record and of my (our) telephone conversations.

14. Arbitration Disclosures: THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

- ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS, AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.
- THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT

15. Arbitration Agreement: ANY CONTROVERSY BETWEEN YOU AND US SHALL BE SUBMITTED TO ARBITRATION BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY. NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PREDISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS AC- TION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ECOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL; (i) THE CLASS CERTIFICATION IS DENIED; (ii) THE CLASS IS DECERTIFIED; OR (iii) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HERE IN. THE LAWS OF THE STATE OF NEW YORK GOVERN.

Customer Account Form Definitions

Net Worth:

- Value of all client assets less any current obligations (debt) owed by the client.

Liquid Net Worth:

- The part of an individual's net worth that can be readily turned into cash. Liquid net worth includes investments such as stocks and mutual funds, but does not include assets that are difficult to readily convert, such as real estate or cars.

Account Investment Objective:

- Preservation of Capital - Little or no possibility for negative returns.
- Moderate Income - Seeks income utilizing asset classes with potential for higher return but with more risk to principal.
- Balanced Growth - Moderate risk taker who would traditionally utilize both stocks and bonds to achieve investment goals.
- Growth of Capital - More aggressive risk taker who desires capital appreciation, not current income, utilizing primarily astock portfolio.
- Aggressive Growth - Willing to risk 100% of principal for the opportunity for highest possible return or speculation.

Risk Tolerance:

- Low / Conservative - Willing to accept only low volatility with very limited loss potential.
- Moderately Conservative - Willing to accept low loss potential in order to increase gains / higher income.
- Moderate - Willing to accept moderate loss potential in order to gain a balanced return of growth and income.
- Moderate Aggressive - Willing to accept higher potential loss in order to gain higher returns.
- High Risk - Willing to risk entire investment for highest possible return / speculation.

Liquidity Needs:

- Immediate - Client intends to begin withdrawing funds / assets from the account as soon as funds are available.
- High - Client intends to begin withdrawing funds / assets from the account within 5 years.
- Medium - Client intends to begin withdrawing funds / assets within the next 5-10 years.
- Low - Client does not intend to withdraw funds / assets from the account for at least 10 years.

Investment Experience:

- Overall experience level should reflect the amount of time the client has been investing in the stock / bond market.
- Individual asset class experience should reflect the amount of time the client has invested in a specific asset type.

Time Horizon:

- The account time horizon should reflect the amount of time the client anticipates holding assets within the account. In the event that a client withdraws funds / assets over time, the time horizon should reflect the amount of time before all assets are withdrawn, and not the time when withdrawals begin.

Estimated Value - Other Accounts:

- To help PCS more fully understand a client's investment profile and identify what types of investments or strategies may be suitable for a client, other assets held in outside investment accounts must be taken into consideration. Exact balance information is not required, but an estimated value is critical to the successful understanding of a client's investment needsand for development of investment strategy.

Dependents:

- The number of people the client is financially responsible for. This may include individuals who reside within the same household as the client or in a separate location. (for example: college aged children, grandchildren, parents, etc.)
- For corporate, trust, 401k, PSP, estate, non-profit accounts, enter "none".

Investor Account Portal Access and Electronic Delivery Consent:

"Website" or "Investor Portal" means the investor portal or portals, maintained by Pershing and/or Private Client Services, that enables You to access information and perform other activities with respect to Your Account, whether such investor portal is accessed through an internet website, a mobile application that we maintain, or a third-party mobile application that we authorize.

"Account Communications" means all documents, communications and information related to Your Account including, but not limited to, account statements, trade confirmations, prospectuses, quarterly, semi-annual, or annual shareholder reports, proxy statements, tax forms, and other legal and regulatory notices, disclosures and documents.

You acknowledge and agree that you have ready access to and use electronic communications.

Portal Access Terms and Conditions.

You expressly agree and acknowledge that your use and any Authorized Users' use of the Portal is subject to the terms and conditions of use posted on the Portal or otherwise made available to You including, without limitation, any disclaimers of warranties and other notices. Such terms and conditions may be amended from time to time. Continued use of the Portal by You or any of your Authorized Users constitutes acceptance of the then-current terms and conditions. We will provide a user ID and password for accessing the Portal. In order to maintain Your Account, you will be required to confirm your user ID and password and confirm that you are able to access the Portal. You agree that you are solely responsible for safeguarding and keeping confidential the password and user IDs that You and your Authorized Users use to access the Portal and any information that is retrieved from the Portal. You agree that You and your Authorized Users will only access the Portal from devices with industry standard anti-virus/anti-malware protection. You accept responsibility for all activities that occur under such ID(s) or password(s). You understand and agree that access to the internet and a valid email address are required to open Your Account and to access it through the Portal, and that You are responsible for notifying us of any change to your email address, which You can do through the Portal. You understand that we may also require a method of two-factor authentication for access to the Portal, such as a mobile telephone or other device capable of receiving SMS messages or a device capable of running a multi-factor authentication application. You agree to immediately notify your Financial Professional if: (i) Your passwords or user IDs are lost or stolen, or (ii) You become aware of any unauthorized use of the passwords, user IDs, or access to Your Accounts that may be related to your use of the Portal. Pershing and Private Client Services are not liable for any loss or damage arising from any activity that occurs via the use of your password and/or user ID.

Consent to Electronic Services and Delivery.

You agree to conduct business with respect to Your Account electronically. You consent to the use of electronic signatures in connection with all matters relating to Your Account and agree that your use of an electronic signature to sign any document or agreement relating to Your Account legally binds you in the same manner as if you manually signed such document. You consent to the electronic delivery of all Account Communications, and you agree that this consent may be relied upon by any issuer or other third party from whom we receive Account Communications to You. Account Communications will be delivered to You through the Portal. We will send You an email or other digital notification when an Account Communication is available to be accessed on the Portal. The email or digital notification will provide you with a link to or instructions for accessing the Account Communication on the Portal. Any email notification will be sent to the email address(es) that we have on record for electronic delivery purposes. While account communications will be delivered through the Portal, we may also deliver Account Communications to you through any other form or manner of electronic communications permitted under applicable law, including through email and text messages, by providing a hyperlink to Communications in this agreement, or by providing written or electronic notice that includes a hyperlink to or URL or website address for a website where the Communications can be viewed or uploaded. You acknowledge that the Account Communications to be delivered electronically will contain your personal financial information, and you consent to the delivery of such information by electronic means.

Account Communications will be made available in portable document format (POF") or Hyper Text Markup Language (HTML) or other compatible formats. You affirm that You have installed a recent version of Adobe Acrobat Reader or other software application that enables You to view and print your Account Communications. You may print or save a copy of any of the Account Communications at *any* time. Tax-related Account Communications will be available on the Portal for at least six (6) years from the date they were made available. In the event of an electronic delivery notification failure as defined by us, we may discontinue electronic delivery and mail Your Account Communications in paper form until we determine that it is appropriate to resume electronic delivery of Account Communications. If You lose access to the Portal, You should contact your Financial Organization to have your access reinstated. You agree that electronic delivery of an Account Communication is deemed accepted, regardless of whether You access or view a particular Account Communication. You acknowledge that any Authorized Users for Your Account are able to make changes to the electronic delivery settings for Your Account, and You agree to accept responsibility for such changes.

You may request a paper copy of any Account Communication through the mail by contacting your Financial Organization, which may charge you a fee for the delivery of such Account Communication to you. Notwithstanding your consent to electronic delivery of all Account Communications, we may, in our discretion, deliver any Account Communicat ions to you through the mail. including by mailing You a document that includes a website or URL address for a Communication. We will also deliver Account Communicat ions to you through the mail to the extent required by Applicable Law.

Revocation of Consent. Your consent to electronic delivery under this Agreement is effective until revoked by You. You may revoke your consent to electronic delivery and *receive* paper Account Communications by contacting your Financial Organization_ who will *receive* such notice on behalf of us. Any revocation of consent to electronic delivery must be explicit, and any request to provide a paper copy of one or more Account Communications will not constitute a revocation of consent to electronic delivery.

CLIENT RELATIONSHIP SUMMARY

Private Client Services ("PCS") is a Registered Broker/Dealer Firm and Registered Investment Advisor ("RIA"), dually registered with the Securities and Exchange Commission, is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). It is important for clients to understand that as a Broker/Dealer we offer investment services where PCS and our Registered Representatives earn a commission when we buy and sell securities for you, and as an RIA, we offer investment advice and investment advisory services for a fee. Our client base consists primarily of retail investors; however, we also serve institutional investors.

Free and simple tools are available to research firms and financial professionals at https://www.Investor.gov/CRS, which also provides educational materials about broker/dealers, investment advisors, and investing.

What investment services and advice can you provide to me?

We provide both brokerage services and investment advisory services to retail investors.

Brokerage services include buying and selling securities, including stocks, bonds, mutual funds, exchange traded securities, unit investment trusts, and variable or index annuity products for retail investors. We provide investment recommendations, financial tools and investor education to retail investors in order to help investors achieve their investment goals and objectives.

Brokerage services may be processed via an investor brokerage account or directly with a product provider. Although the firm imposes no specific eligibility requirements or investment minimums, individual services, including the extension of margin privileges and options trading as well as individual product providers, may have additional requirements. Details can be obtained in the service agreements or product prospectuses.

Not all registered representatives of the firm are dually registered and may not be able to provide investment advisory services in addition to brokerage services. All representatives of the firm may not be appropriately licensed to sell all products of the firm and may only offer a subset in accordance with their license. In addition, the firm does not monitor your brokerage account and you make the ultimate decision regarding the purchase or sale of investments.

Investment advisory services include model portfolios managed by the firm called PCS Advisor Portfolios, Private Wealth Management (PWM) accounts managed by the advisor, portfolios managed by Third-Party Asset Managers (TPAM), and financial planning services all for a fee

PCS Advisor Portfolio accounts consist of exchange traded funds (ETFs) or mutual funds and may include additional asset types. They are managed on a discretionary basis by the firm and monitored regularly by the firm's Investment Committee. There is a $25,000 account minimum that may be waived on a case-by case basis.

Private Wealth Management (PWM) accounts may consist of ETFs, mutual funds, stocks, bonds and other asset types. These accounts are managed by the advisor according to a model established by the retail investor at the time of account opening. PWM accounts may be managed on a discretionary or non-discretionary basis depending on the retail investor's desire and are monitored by the firm on a regular basis. There is a $25,000 account minimum that may be waived on a case-by case basis.

Third-Party Asset Management accounts utilize other professional money management services to create and manage retail investor portfolios. Each TPAM sets their own account minimums and portfolio design. We do not provide any input, or guidance in relation to the portfolio management of these accounts, however we do provide ongoing monitoring regarding performance. Details can be found in each TPAM's account documents.

Retail client accounts that are managed on a discretionary basis, means that the Investment Committee or adviser determines holdings allocation changes in various portfolios based upon market conditions, and executes the reallocation without consulting individual clients. Discretion is limited to portfolio holdings allocation and does not include the ability for the firm or adviser to process any money movement activity without the prior instruction and approval by the client. Non-discretionary means that you make the ultimate decision regarding the buying and selling of securities in your portfolio.

Financial planning services provided to our clients may include some or all the following: Business Planning, Retirement Planning, Estate Planning, Risk Management, Investment Consulting, Corporate Retirement Planning, and Insurance Planning. These services are provided by a separate engagement agreement established by the retail investor and adviser prior to any services.

We offer a Wrap Program to our clients, in which you may invest in certain products without paying commissions or transaction fees over and above the program's advisory fee.

Additional information on our advisory programs may be found by reviewing our Form ADV on our website www.pcsbd.net/advisory_disclosures.

We offer recommendations to retail investors that have been determined to be in their best interest.

Questions for you to ask your representative / advisor:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications?*
- *What do these qualifications mean?*

What fees will I pay?

For brokerage services, retail investors are charged transaction commissions and fees/expenses for buy or sell orders of individual stock or ETF securities within a brokerage account. Bonds are charged a markup or mark down in the price of the security being bought or sold. Investment products such as mutual funds, unit investment trusts and annuities charge initial fees, expenses, and commissions as part of the investment purchase price depending on the product purchased. Some products may charge on-going management fees and commissions or trails as long that the product is held. These fees and expenses are outlined in the product prospectus.

Since commissions are charged on a transaction basis, you would be charged more when there are more trades in your account, therefore we may have an incentive to encourage you to trade more frequently.

Brokerage accounts also have additional account service fees depending on account activity. These fees may include services such as money movement, maintenance fees, transfer fees, etc. More detailed information on brokerage account fees may be found on our website www.pcsbd.net/Regulation_Best_Interest.

For advisory services, retail investors are charged an asset-based fee that is dependent on the value of the assets we manage. We charge this fee on a monthly basis. The higher the asset value in your account, the more you will pay in fees and therefore we may have an incentive to encourage you to increase the assets held in your account.

Asset-based fees associated with the wrap fee program (PCS Advisor Portfolios, Private Wealth Management and TPAM) will include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. You may also pay additional account service fees depending upon account activity. These fees may include services such as money movement, maintenance fees, transfer fees, etc. More detailed information on brokerage account fees may be found on our website www.pcsbd.net/Regulation_Best_Interest.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Questions for you to ask your representative / advisor:

- *Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*
- *How do you determine what fee I will be charged?*

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

Here are some examples to help you understand what this means:

1) Since commissions in a brokerage account are charged on a trade basis, a retail investor would be charged more when there are more trades in his or her account, therefore we may have an incentive to encourage a retail investor to trade often.

2) We charge an investment advisory fee based on the assets we manage. We have an incentive to recommend adding assets to accounts that we manage which will increase the fee you pay us.

3) Commissions on investment products vary and we may have an incentive to recommend a product that pays a higher commission.

4) We may receive additional compensation from brokerage fee mark ups, transition assistance and money market fund revenue sharing from our clearing firm and custodians.

Additional information related to potential conflicts of interest may be found by reviewing our Form ADV by visiting our website: www.pcsbd.net/advisory_disclosures.

Questions for you to ask your representative / advisor:

- *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

Our registered representatives receive compensation for commissions generated for securities or insurance sales in their capacity as broker-dealer representatives or insurance agents.

Our Investment Advisory Representatives receive compensation based on the amount of client assets maintained in advisory accounts, or fees charged for financial planning services.

Questions for you to ask your representative / advisor:

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

Do you or your financial professionals have any legal or disciplinary history?

Yes.

Retail investors may visit www.Investor.gov/CRS for a free and simple search tool to research our firm and financial professionals.

Questions for you to ask your representative / advisor:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Retail investors can find additional information about our brokerage or investment advisory services and request a copy of this *relationship summary* by visiting our website www.pcsbd.net or calling 502-451-0600.

Regulation Best Interest Disclosure

Introduction

Private Client Services ("PCS") is a Registered Broker/Dealer Firm and Registered Investment Advisor ("RIA"), dually registered with the Securities and Exchange Commission, is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). As a dually registered firm, PCS offers a variety of products and services through our Registered Representatives and/or our Investment Advisor Representatives. The following important information provides details of PCS offerings you need to be aware of before opening an account, or engaging in securities transactions with our firm, to ensure all recommendations are in your best interest.

Services

PCS offers both brokerage and investment advisory services to retail investors. There are distinct differences between these services, and each provides solutions to many different financial needs. It is important to understand these differences when you are making the decision to engage with our firm.

Brokerage Services

Brokerage services, also referred to as broker dealer or commission-based services, are offered by registered representatives of PCS and include the buying and selling of securities, investment recommendations, financial tools and calculators and investor education. The firm offers several different types of securities including but not limited to stocks, bonds, mutual funds, exchange traded funds (ETFs) and notes, unit investment trusts, variable and index annuities and variable life insurance to assist investors in reaching their financial goals.

Brokerage transactions may take place within a brokerage account or direct with a product sponsor. Which type of account you open should be carefully considered based on your financial needs and situation.

Brokerage accounts opened with our clearing firm, Pershing, LLC., offer the opportunity to buy and sell many different security types like stocks, bonds, mutual funds, exchange traded funds and unit investment trusts within one account. Transaction confirmations and account statements are issued by the clearing firm on our behalf. Although there are no minimums to open a brokerage account, services offered in conjunction with your account may have certain investment amount requirements. In addition to income, net worth, risk tolerance and investment objective requirements, margin accounts require a net equity amount of $2,000.

Certain levels of check writing require a minimum of $10,000 or $20,000 to establish. Options accounts may be limited in the types of transactions and number of contracts based upon client experience and account net worth. For more information, refer to the appropriate agreement for each service. Additionally, certain mutual funds and unit investment trusts impose a minimum purchase amount for your initial purchase and subsequent purchase and vary by account type. Information regarding product requirements can be found in the products prospectus or offering documents.

Accounts may also be opened directly with a product sponsor and only allow transactions in that sponsor's offerings. Accounts can be established with multiple product sponsors to provide a diversified solution to your financial needs. Some products cannot be bought and sold directly with a product sponsor and must be transacted in a brokerage account including stocks, bonds, some mutual funds, unit investment trusts and exchange traded funds. Conversely, some products cannot be purchased in a brokerage account and must be purchased directly with the product sponsor including variable life insurance and some variable annuities, mutual funds and 529 plans. As with brokerage accounts, PCS does not impose account minimums, but each product sponsor has its own requirements. Further information can be found in the prospectus or offering documents.

Some registered representatives of PCS may not be licensed to sell certain products. Some representatives are only able to offer investment company and variable contract products such as mutual funds, unit investment trusts and variable annuities. Other representatives may be able to offer these and additional securities like stocks, bonds and options. It is important to be aware of what products your representative can offer. Your Financial Professional will evaluate your investment needs, objectives, risk tolerance, and other factors to determine what investments are in your best interest prior to making any investment recommendations. It may be determined that your specific financial needs require a referral or introduction to an additional Financial Professional to include other investment products or services to fully meet your financial objectives. Information regarding the licensing of your registered representative can be found by visiting FINRA's BrokerCheck by typing the following into your web browser: https://brokercheck.finra.org/.

Although PCS does review recommendations made by your representative and transactions in your brokerage account against our best interest policies and procedures, we do not monitor your account unless otherwise agreed to in writing in advance. Recommendations made are purely recommendations and the final decision to open an account and purchase or sell securities are solely yours.

Advisory Services

Advisory services, also referred to as fee-based services, are offered by investment advisor representatives of PCS and include asset allocation model portfolios managed by the firm, Private Wealth Management portfolios managed by the advisor on either a discretionary, or non-discretionary basis, portfolios managed by Third-Party Asset Managers (TPAM), and financial planning services all for a fee. Both the PCS Portfolios and Private Wealth Management accounts are considered 'wrap programs'. For additional information, please refer to PCS' Wrap Fee Brochure at https://pcsbd.net/advisory_disclosures.

Each advisory program has specific characteristics that make it unique compared to the others. All factors should be carefully considered before establishing an account based on your financial need and situation.

Private Wealth Management portfolios may consist of ETFs, mutual funds, stocks, bonds and other asset types. These accounts are managed by the advisor according to objective and risk tolerance established by the retail investor at the time of account opening. Models are designed by the advisor to meet certain investment objectives, risk tolerance, time horizon and liquidity needs. Individual securities are assigned to each asset class in the model and may be exchanged for different ones due to several factors including performance and cost. Your account may be occasionally rebalanced to return your account to the original allocation of the model's asset classes.

Private Wealth Management accounts may be managed on a discretionary or non-discretionary basis. Discretionary means the advisor determines allocation changes in various portfolios based upon market conditions and executes the reallocation without consulting individual clients. Discretion is limited to portfolio allocation and does not include the ability for the firm or advisor to process any money movement activity without the prior instruction and approval by the client. Non-discretionary means that you make the ultimate decision regarding the buying and selling of securities in your portfolio. You must approve any transactions prior to your advisor executing them.

PCS monitors accounts on a regular basis to ensure they are managed according to their investment objectives. Quarterly performance reports are sent to you indicating the performance of your account according to appropriate benchmarks. The minimum to open and maintain a Private Wealth Management account is $25,000 but may be waived on a case-by-case basis.

PCS Portfolio accounts consist of exchange traded funds (ETFs) or mutual funds and may include additional asset types that are managed by PCS according to a model established by the retail investor at the time of account opening. Models are designed by PCS to meet certain investment objectives, risk tolerance, time horizon and liquidity needs. Your information is used to assign your investment assets to the model that best aligns with your financial profile. Individual securities are assigned to each asset class in the model and may be exchanged for different ones due to several factors including performance and cost. Your account may be occasionally rebalanced to return your account to the original allocation of the model's asset classes.

PCS Portfolio accounts are managed on a discretionary basis by the firm and monitored regularly by the firm's Investment Committee. Quarterly performance reports are sent to you indicating the performance of your account according to appropriate benchmarks. The minimum to open and maintain a Plus Portfolio account is $25,000 but may be waived on a case-by-case basis.

PCS has relationships with several third-party asset managers, as well as access to professional money managers via the Orion Marketplace. Third-Party Asset

Management Accounts (TPAM's), utilize professional money management services to create and manage portfolios for investors. TPAM's may utilize mutual funds, ETFs and other securities to create models or customized portfolios for clients. Each TPAM has its methodology to help determine which portfolio or program is appropriate for the end investor and relies on the advisor to work with the client in final portfolio/program selection. In addition, they may offer additional services like rebalancing, dollar-cost averaging, tax harvesting and investor education.

PCS does not provide any guidance or monitoring regarding TPAM portfolios. All asset allocations as well as the individual securities that make up those allocations are determined by the TPAM. All investment decisions, including security substitutions are left to the discretion of the asset manager. Details about each TPAM's management philosophy, process and account restrictions including minimums can be found in the TPAM's account documents.

The firm offers a Wrap Program to clients that allows investors to purchase certain products without paying commissions or transaction fees over and above the program's advisory fee. Asset allocation is determined by you and the advisor according to your financial needs and profile. Account minimums are based on the program and PCS does provide monitoring services.

PCS financial planning services may include some or all of the following depending on the advisor's area(s) of expertise:

- Estate Planning
- Investment Planning
- Risk Management
- Income Tax Planning
- Business Planning
- Education Planning
- Insurance Planning
- Retirement Planning

A Financial Planning Engagement Agreement must be in place before services are provided and may be a one time or ongoing engagement. The advisor will perform detailed data gathering to understand your current situation and desired goals. After analysis, the advisor will provide specific courses of action and a written report of the plan within the scope of the agreement. The firm does not monitor recommendations resulting from financial planning services.

Additional detailed information regarding PCS advisory services can be found on our Form ADV located on our website https://pcsbd.net/advisory_disclosures as well as in each advisory program's account documents.

Account Registrations

Another important consideration before working with PCS is account registration selection. The firm offers a variety of account registrations and investors may open one or a combination of accounts under several registrations to achieve their financial goals. Some account registrations are limited in purpose while others may be tied to many different objectives. In the same manner, a specific investment or financial objective may be met through one or many different account registrations. For example, the objective of saving for a dependent's education may be accomplished by establishing a 529 College Savings Plan, a Coverdell Education Savings Account or a Uniform Transfer to Minors Act Account.

Each account registration has different characteristics and rules that may make it appropriate for your situation. You should understand and carefully consider all aspects of a registration including eligibility, tax implications, investment limitations and legal aspects prior to opening and funding the account. PCS provides high level definitions of account registrations available at our firm that can be found at https://pcsbd.net/regulation_best_interest. You should also consider the advice of your legal or tax professional along with your investment professional in determining the appropriate account registration(s) to meet your financial goals.

Fees, Costs and Expenses

All products and services offered through PCS include various fees, costs and expenses. Part of these expenses include compensation to your financial professional and Private Client Services. Specific product expenses can be found in the product's prospectus. The following is not an exhaustive list but is intended to provide you information to guide your investment decisions when working with your financial professional.

Brokerage Products

Products you may invest in have internal fees charged by the product manufacturer and/or costs associated with trading those securities. In a brokerage relationship with our firm, part of those fees represent compensation to PCS.

Mutual funds are pools of securities managed by the mutual fund company on behalf of the end investor. Each mutual fund has an investment objective such as growth, income or capital preservation. The mutual fund prospectus provides details regarding the fund's objectives, risks, methodology, fees and expenses and should be read carefully before investing. Each mutual fund may offer different share classes to invest in with each designed to meet investment objects and time horizons with various cost structures. The most common share classes are described below.

Class A shares typically include an up-front sales charge or sales load that is charged against your purchase amount. This reduces the total amount of your investment. Depending upon the amount you invest or plan to invest, you may be eligible for a reduction in the sales load. A schedule of breakpoints based on investment amount along with other sales load reductions can be found in the prospectus. Ongoing fees and expenses for the management of the fund tend to be lower in A shares.

Class C shares typically have no sales load upon investment, but the ongoing expenses tend to be higher. There may also be a contingent deferred sales charge (CDSC) for funds sold within one year. Due to higher ongoing expenses, C shares may be more expensive over a long period of time and are usually more appropriate for investors with a short time horizon.

A and C share classes along with other commissionable share classes are sold to brokerage clients of PCS and pay a commission as part of each purchase to PCS. A portion of this commission is paid to your financial professional. In addition, the product sponsor pays ongoing compensation to PCS in the form of 12b-1 fees, typically between 0.25% and 1%, that are shared with your financial professional for as long as you hold your investment with our firm.

Money market funds are mutual funds that invest in short term debt instruments with the objective of maintaining a price of $1.00 per share. There are no sales loads or redemption fees for money market funds, but they do charge ongoing expenses for as long as you hold the fund. A portion of those expenses is paid to PCS and shared with your financial professional in the form of 12b-1 fees.

Exchange traded funds or ETFs are pooled investments of a managed portfolio of securities designed to track an index. ETFs trade on a securities exchange where they may experience price changes throughout the trading day. When you buy and sell ETFs with PCS as agent in a brokerage account, you are charged a commission in conjunction with your buy or sell transaction which we share with your financial professional. In addition, ETFs also have ongoing internal operating expenses, typically between 0.05% and 1.0%, that may affect the ETFs performance and price. Additional information may be found in the product prospectus. ETFs at PCS are traded in a brokerage account with our clearing firm Pershing, LLC.

Closed-end funds are pooled asset securities that are traded on an exchange in a brokerage account and are professionally managed. There are a fixed number of shares and prices may fluctuate throughout the day based on supply and demand as well as the value of the underlying assets in the portfolio. Traded on an agency basis with PCS, you may pay a commission on buys and sells of closed-end funds, a portion of which is shared with your financial professional. Closed-end funds also have ongoing fees and expenses that can be found in the funds offering documents.

Unit investment trusts (UITs) are investment company securities with a fixed portfolio offered in a specific number of units. UITs have a maturity date where all securities in the portfolio are liquidated and cash is returned to the investor unless you choose to rollover the proceeds to another UIT. UITs do not typically actively trade their portfolios and the securities are held until maturity. Liquidity before maturity is offered by the UIT sponsor and the price may fluctuate according to the value of the underlying assets. They typically have a front-end or deferred sales charge and a portion is paid to PCS in the form of a commission that is shared with your financial professional. In addition, the UIT sponsor may charge creation and ongoing operating fees ranging from 0.20% to 4.00% that may affect your return. Details regarding fees and expense of UITs can be found in the products prospectus. UITs are offered by PCS in brokerage accounts through Pershing, LLC.

Variable annuities are a contract between the investor and an insurance company where the insurance company agrees to provide a single lump sum or series of payments immediately or at a future date. Your single or series of purchase payments may grow tax deferred until distributions are received. The money invested may be allocated within sub-accounts similar to mutual funds that invest in various securities. The performance of these sub-accounts will affect the value of your contract.

Variable annuities may come with a variety of features including death benefits, income benefits and accumulation benefits. Depending upon the annuity, these may be standard or added to your contract for an additional cost.

Due to the complexity of annuities, their involvement of certain insurance aspects and the wide availability of features, there are several different fees and charges that reduce or affect the return of your investment.

- Account fee or contract fee. Many annuity policies come with an account fee that usually represents a flat annual amount. It may be waived by some insurance companies based on account balance.
- Mortality and Expense charge (M&E). This is the fee included to cover insurance aspects of the contract like the death benefit or income guarantees. It may range from .04% to 1.75% annually.
- Sub-account fees. This fee is charged by the underlying sub-account you chose to invest in for managing the portfolio of assets. Fees can vary for each account.
- Surrender charge. You are subject to a surrender charge or contingent deferred sales charge (CDSC) if you liquidate your annuity within a certain period of time after purchase. This fee typically decreases on an annual basis for several years until it reaches zero. Most contracts allow a free withdrawal provision of typically 10% annually without incurring a surrender charge.
- Administrative fees. These fees cover the cost of maintaining and administering your contract.
- Optional rider fees. These are fees associated with each optional benefit you add to your contract. Examples include enhanced death benefits, income riders and long-term care benefits.

Most variable annuities sold through PCS are B share annuities and include a CDSC fee. PCS is paid a commission for the sale of the annuity. Your financial professional may choose a commission option that pays a higher upfront amount and lower ongoing trail commissions annually or a lower upfront commission with higher ongoing trail commissions. A portion of the payments we receive is shared with your financial professional.

Variable annuities offered through PCS are purchased directly with the insurance company. Details regarding all costs, fees and expenses along with sub-account, rider and contract information are found in the product prospectus. You should read carefully before investing.

Fixed indexed annuities are a contract between the investor and an insurance company where the performance is linked to an index. Account growth is subject to rate floors and caps providing downside protection but limiting upside potential. The insurance company bears the risk of market loss in exchange for a limited upside to the client. Typically, all costs and expenses are factored into rate caps so there is no upfront sales charge. A contingent deferred sales charge may apply if the product is liquidated within a certain time frame after purchase. Included in those costs is a commission to PCS which is shared with your financial professional.

General securities include stocks, bonds, certificates of deposit and options. Stocks and options bought and sold through PCS are done on an agency basis where PCS acts as broker by submitting the transaction to our clearing firm, Pershing LLC, where it is routed for execution. Acting as agent, we earn a commission on each transaction based on several factors including transaction size and number of shares. We share a portion of that commission with your financial professional. In addition, PCS charges a ticket charge to your financial professional against the commission charged. A portion of this ticket charge is a cost incurred from the clearing firm for execution and clearance. The remainder is retained by PCS.

Fixed income secondary transactions include corporate, municipal, government and agency bonds as well as certificates of deposit. When executing fixed income transactions in a brokerage account, PCS acts in a riskless principal capacity and marks up or marks down the bond price to you and retains the difference as a sales credit. This amount is disclosed on the transaction confirmation. A portion of the sales credit is shared with your financial professional after the subtraction of the ticket charge.

In some cases, PCS offers new issue fixed income securities whereby the offering price is determined by the issuer. The offering price includes fees, expenses and a sales credit to PCS which is shared with your financial professional after ticket charges.

Advisory Products

Advisory accounts with PCS are generally charged an ongoing asset-based fee and not a commission. A portion of the fee that PCS charges is shared with your financial profession. The products used to manage your account may also have various internal fees and costs charged by the product manufacturer.

Mutual funds used in PCS advisory accounts do not have a front-end sales charge and do not pay commission to PCS. Typically, they are no load mutual fund shares, institutional shares, advisory shares or class A shares offered at net asset value (NAV). NAV represents that actual value of the underlying assets that make up the fund's portfolio without front-end sales charges and commission. Some share classes pay a 12b-1 distribution fee to PCS which is rebated to your account. It is important to know all the share classes available to you in your advisory account and the fees and expenses charged by the fund. Information regarding the share classes for each fund family available to advisory accounts and their costs can be found in the product prospectus. Mutual funds in Private Wealth Management, PCS Portfolios and our wrap fee program are not charged a transaction-based fee by PCS or our clearing firms.

Exchange traded funds or ETFs are pooled investments of a managed portfolio of securities designed to track an index. ETFs trade on a securities exchange where they may experience price changes throughout the trading day. When you buy and sell ETFs with PCS as agent, in an advisory account, there are no charges assessed by PCS as part of the transaction. ETFs do have ongoing internal operating expenses that may affect the ETFs performance and price. Additional information may be found in the product prospectus.

Closed-end funds are pooled asset securities that are traded on an exchange in a brokerage account and are professionally managed. There are a fixed number of shares and prices may fluctuate throughout the day based on supply and demand as well as the value of the underlying assets in the portfolio. Traded on an agency basis with PCS, you will not pay transaction related charges in advisory accounts. Closed-end funds also have ongoing fees and expenses that can be found in the funds offering documents.

Unit investment trusts (UITs) are investment company securities with a fixed portfolio offered in a specific number of units. UITs have a maturity date where all securities in the portfolio are liquidated and cash is returned to the investor unless you chose to rollover the proceeds to another UIT. UITs do not typically actively trade their portfolios and the securities are held until maturity. Liquidity before maturity is offered by the UIT sponsor and the price may fluctuate according to the value of the underlying assets. UITs traded in PCS advisory accounts do not have front-end sales charges, commissions or transaction fees. UIT sponsors may charge creation and ongoing operating fees that may affect your return. Details regarding fees and expense of UITs can be found in the products prospectus.

Annuities, both fixed and variable, are not currently offered as part of the PCS advisory program and can only be purchased as commissionable products with our firm. Should they become available in PCS advisory programs, all internal expense of the annuity charged by the insurance company as detailed in their prospectus would be applicable in addition to the advisory fee charged by PCS and shared with your financial professional.

General securities including stocks, bonds, certificates of deposit and options bought and sold though PCS advisory programs are done on an agency basis where PCS acts as broker by submitting the transaction to the custodian, where it is routed for execution. There are no transaction charges or fees for general security trades and all costs are incurred through the advisory fee you pay.

Additional Costs

Ticket charges are applicable to mutual fund, ETF, equity, fixed income, UIT and options transactions in your Pershing brokerage accounts. These charges are assessed to your financial professional for each trade and may choose to pass them on as part of the commission charged on the transaction. Ticket charges represent execution and clearance costs charged by the clearing firm to PCS. In some cases, PCS marks up these costs and retains the difference as revenue. You may also incur confirmation and other fees for the cost of printing and mailing trade confirmations, prospectuses and other services performed as part of your transaction. Ask your financial professional about trade commissions and related costs for each transaction.

In addition to securities transaction fees in brokerage accounts and internal product costs for both brokerage and advisory products, you may incur account fees, maintenance fees and fees for ancillary services as part of your brokerage or advisory account. The fees may be applicable based on activity in your account or services you add to your account. Money movement, transfers, security reorganizations, margin transactions and other activity may be assessed on a per event basis. Qualified accounts may incur an annual maintenance fee and termination fee. Ancillary services such as check writing may have an annual fee and or activity related fees. Some of these fees are assessed by the clearing firm and passed directly to your account while others may be marked up by PCS, a portion of which is retained by us and not shared with your financial professional. Details regarding these fees can be found on the PCS Client Fee Schedule at https://pcsbd.net/regulation_best_interest.

Accounts held directly with product sponsors, both advisory and brokerage, may charge account related fees based on minimums, activity and account type in addition to product related fees. Details regarding these fees can be found in the product prospectus and/or the sponsor companies account documents.

Money market sweep funds set up as part of your Pershing brokerage account or advisory account to retain idle cash awaiting reinvestment have internal expenses as noted in their prospectus. PCS does receive distribution assistance from Pershing on some money market sweep funds in brokerage accounts and retains it all as revenue. PCS receives no distribution assistance on sweep funds in advisory accounts.

Compensation

PCS and your financial professional receive compensation in different forms and the amount of compensation may vary. It is important to note compensation as this may present certain conflicts of interest when doing business with our firm.

Cash Compensation

When transacting in brokerage business with PCS, the firm and your financial professional receives commission from the products you buy and sell. Commissions vary by product type and individual product. PCS and your financial professional may have incentive for you to trade more frequently to generate more commission and/or purchase products that offer higher commission amounts as opposed to those with lower commission amounts. Please refer to the product prospectus and your trade confirmation for details about commissions and sales charges paid in conjunction with your transaction.

Trail compensation is paid to PCS and shared with your financial professional in brokerage accounts. This amount is typically based on the amounts you have invested with mutual fund and insurance companies and calculated as an annual percentage. There is an incentive for us to retain your account to continue to receive this compensation. This amount may vary by product and there may be an incentive to recommend products that pay a higher amount of trail compensation.

In PCS advisory accounts, you are charged a fee based on the assets in your account or a fee for the services provided. A portion of the fee is retained by PCS which includes technology and platform costs. The remainder of that fee is paid to your financial professional. Since this fee is based on assets in you account, we and your advisor have an incentive for you to increase the number of assets in the account.

Supervisory principals in branch offices have obligation to supervise financial professionals in their branch. These Office of Supervisory Jurisdiction principals may receive a portion of commissions or advisory fees from PCS or your financial professional as compensation for supervisory and administrative functions they provide. This presents a conflict in providing objective supervision of the individuals they supervise as they are compensated based on the financial professional’s revenue generated from commissions and fees. In addition, they may have a conflict in deciding to terminate a higher producing financial professional for disciplinary reasons.

Non-cash Compensation

Third parties such as product and technology providers may provide PCS and your financial professional with gifts up to $100 in value per year. They may also provide meals, entertainment, education services and conferences. Financial professionals may have an incentive to sell or use products of those providers that provide such non-cash compensation.

Outside Business Activities

Financial professionals are allowed to engage in other outside business activities (OBAs) in addition to the services offered through PCS. PCS must review and approve all outside activities, but they are separate and distinct from those offered by PCS. Financial professionals may receive compensation from the OBA and may receive more compensation than which is earned from PCS. Common OBAs include fixed insurance sales, tax preparation or their own registered investment advisor. This may provide an incentive for your financial professional to recommend products or services away from PCS. A list of the OBAs your financial professional is engaged in can be found on FINRA’s BrokerCheck website at http://brokercheck.finra.org.

Other Conflicts

We have an obligation to act in your best interest when making recommendations as a broker dealer or a registered investment advisor. We have an obligation to supervise our financial professionals to ensure that recommendations they make are also in your best interest. The way we and your financial professional are compensated creates some conflicts of interest as noted above. In addition, the following conflicts exist that we manage by disclosing them to you.

Products: Although PCS has a variety of products available to represent a choice in each product category, we do not maintain selling agreements with the entire universe of financial products available. Other firms may have products that may not be available to you through PCS. As noted previously, some products pay higher upfront commission and/or higher trail commissions. We have an incentive to maintain agreements with firms that pay higher commissions. The firm also limits some products with a risk-based approach. Some more complex products like alternative investments, leveraged ETFs and structured products may not be available through PCS but may be available at other firms.

Outside Advisory Services: Many of the financial professionals that work through PCS maintain their own registered investment advisor (RIA). These services are separate and distinct from the brokerage and advisory services offered by PCS. PCS does charge the advisor a fee to supervise this outside business activity. They may have an incentive to recommend products and services through their investment advisory firm instead of those offered through PCS. There may be additional products and services offered through their RIA not offered through PCS.

Licensing, Appointments and Approvals: As noted previously, all financial professionals at PCS may not be appropriately licensed to sell all products and may have a more limited set of offerings available to you. In addition, not all financial professionals are investment advisory representatives and may not offer advisory services. They are limited to brokerage products on a commission basis only. Some products like options, require PCS approval before a financial professional can offer them. They may or may not have the appropriate internal approvals to offer all products. It is important to ask your financial professional what products they are licensed and approved to offer to ensure the range available to you is appropriate for your situation. Additional information regarding licensing and state approval can be found on FINRA's BrokerCheck website at http://brokercheck.finra.org.

Brokerage Account versus Direct Business Account: Since PCS does receive additional revenue from ticket charges, money market distribution assistance and fee markups from Pershing brokerage accounts, we have an incentive to encourage you to open a brokerage account instead of holding your positions directly with the vendor. Brokerage accounts are the only place you can conduct general securities, ETF and UIT transactions with our firm but mutual funds, and annuities can be held directly with the vendor. Please review the Client Fee Schedule at https://pcsbd.net/regulation_best_interest and direct vendor prospectus and account documents to compare cost involved in each type of business.

Customer Identification Program Notice

Important Information You Need to Know about Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account.

This notice answers some questions about your firm's Customer Identification Program.

What types of information will I need to provide?

When you open an account, your firm is required to collect the following information:

- Name
- Date of birth
- Address
- Identification number:
  - U.S. citizen: taxpayer identification number (Social Security number or employer identification number)
  - Non-U.S. citizen: taxpayer identification number; passport number and country of issuance; alien identification card number; or government-issued identification showing nationality, residence and a photograph of you.

You may also need to show your driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement or a trust agreement.

U.S. Department of the Treasury, Securities and Exchange Commission, NASD and New York Stock Exchange rules already require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives and risk tolerance.

What happens if I don't provide the information requested or my identity can't be verified?

Your firm may not be able to open an account or carry out transactions for you. If your firm has already opened an account for you, they may have to close it.

We thank you for your patience and hope that you will support the financial industry's efforts to deny terrorists and money launderers access to America's financial system.

FINRA™
Financial Industry Regulatory Authority

09/07

Privacy Policy

Collecting Personal Information - We collect Personal Information to service your transactions with us and to support our business functions. We may obtain personal Information from a variety of sources including you, your transactions with us, your registeredrepresentative and/or investment advisor representative ("representative"), other financial services companies; and third parties such as a consumer-reporting agency.

Based on the type of product or service you apply for or get from us, personal Information such as name, Social Security Number or other tax identification number, address, income, payments, or credit history may be gathered from sources such as applications transactions and consumer reports.

Sharing of Personal Information: General - To serve you and service our business, we mayshare certain Personal Information. We will share personal information, only as allowed by law, with affiliates such as: affiliated product companies, employees, representatives, and administrators. As allowed by law, we may share personal financial information with our affiliates to market our products or market our services to you without providing you with an option to prevent these disclosures.

We may also share personal Information, only as allowed by law, with unaffiliated third partiesincluding financial services firms and/or their representatives or agents (including as discussed below under special situations), administrators, and service providers who help us serve you and service our business. When allowed by law, we may share certain personal financial Information with other unaffiliated third parties who assist us by performing services or functions such as marketing our products or services or offering financial products or servicesunder a joint agreement between us and one or more financial institutions.

We will not sell or share your Personal Financial Information with anyone for purposes unrelated to our business functions without offering you the opportunity to opt out or opt inas required by law. We only disclose personal health information with your proper written authorization or as otherwise allowed or required by law.

Sharing of Personal Information: Special Situations - We recognize your right to select afinancial services representative to provide brokerage, investment advisory and insurance products and services. In connection with the transfer of your representative's registration toanother firm, your personal information may be shared with your representative and his/her new firm. The personal information to be shared may include your personal information in the custody of your representative and other personal information necessary to transfer youraccount, including name, Social Security Number or other tax identification number, address,income, phone number, email address, account numbers and types, and transactions.

In addition, in the event your representative (or his/her estate) agrees with an unaffiliated representative to sell all or some portion of his/her securities, advisory or insurance business,your Personal Information may be shared with the acquiring representative and his/her financial services firm.

You may prevent any disclosure of your Personal Information by instructing PCS and our representatives not to provide your Personal Information in these instances by Contacting: PCS, 2225 Lexington Rd, Louisville, KY 40206, Ph: 502-451-0600.

Opt-out States: If you live in any state other than California and Vermont that permits you to opt out (or, prevent) disclosure of your Personal Information, and you do not wish your representative to take your data if he/she should sell his/her securities business to an unaffiliated representative or transfer her/his securities registration to another firm. You havethe right to opt out of such disclosure. If you wish to prevent sharing of your Personal Information, you may contact us as previously stated.

Opt-in States: If you live in California or Vermont, we are required as a financial institutionto obtain your affirmation consent to authorize sharing your Personal Information.

Miscellaneous: Our employees have access to Personal Information in the course of doing their jobs, such as reviewing transactions, servicing your accounts, developing new products, and advising customers of our products and services. We use manual and electronic security procedures to maintain the confidentiality; and

the integrity of Personal Information that we have. We use these procedures to guard against unauthorized access.

Some techniques we use to protect Personal Information include:

- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- We limit employee and adviser access to information only to those who have a businessor professional reason for knowing, and only to nonaffiliated parties as permitted by law.
- We require anyone to whom we disclose your personal information to protect its confidentiality and to use it solely for the purpose for which it is disclosed.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws. We are responsible for and must:
- Provide an adequate level of protection for that data; and
- Grant access to protected data only to those people who must use it in the performanceof their job-related duties.
- At the start of our relationship, we will also give you a copy of our current Privacy Notice once a year if you maintain a continuing business relationship with us. We willcontinue to follow our current Privacy Notice regarding Personal Information even when a business relationship no longer exists between us.

Business Continuity Disclosure

Private Client Services, LLC Business Continuity Plan is intended to ensure the safety of the company's associates and the resumption of critical operations and services in the event of an emergency such as fire; power or communication blackouts; natural or man-made disaster; foreign and domestic terrorism; and civil disturbance. The timeframe for resuming critical business operations may vary based on the nature and severity of the emergency.

Private Client Services, LLC recognizes the importance of maintaining viable emergency response, resumption, recovery and restoration strategies. It is the policy of Private Client Services, LLC and all affiliated organizations, to maintain a viable Business Continuity Plan. In support of this policy, procedures are in place to:

- Relocate critical business operations to established recovery facilities.
- Reroute and activate customer service phone lines.
- Process all customer transactional requests.
- Quickly restore communications with business constituents, banks and regulatory agencies.
- Contact all home office associates and sales representatives.
- Quickly restore all critical company data and systems.

The Business Continuity Plan is reviewed annually by a member of senior management of Private Client Services, LLC.

Private Client Services, LLC exercises its Business Continuity Plan at least once per year, or at a greater frequency as determined by Senior Management. Results of each test, or exercise, are reviewed by Senior Management.

It is the policy of Private Client Services, LLC to continually improve and refine the Business Continuity Plan through the aggressive testing of business continuity procedures and processes, and by leveraging advances in technology. Therefore, the plan is subject to modification, at which time an updated summary will be promptly posted on our website. Alternatively, customers may obtain a summary by requesting a written copy by mail.

Securities Investor Protection Corporation (SIPC)

The Securities Investor Protection Corporation (SIPC) is a non-profit organization that protects stocks, bonds, and other securities in case a brokerage firm goes bankrupt or assets are missing due to fraud. The SIPC will cover up to $500,000 in securities, including a $250,000 limit for cash held in a brokerage account. This includes money market funds held in a brokerage account, since they are considered securities. For more information on SIPC coverage, please review the brochure "HowSIPC Protects You" available for free download at www.sipc.org. If you have questionsor concerns related to SIPC coverage of your account(s), please contact your FinancialAdvisor.

Municipal Securities Rulemaking Board (MSRB)

Private Client Services, LLC is registered with the Municipal Securities Rulemaking Board (MSRB) and the SEC. The MSRB protects investors, state and local governments and other municipal entities, as well as the public interest by promoting a fair and efficient municipal market. Additional information on the protections available under the MSRB rules, including how to file a complaint with the appropriate regulatory authority can be found in the investor brochure. Visit msrb.org/msrb1/pdfs/MSRB-Investor-Brochure.pdf.

Military Premises

Pursuant to FINRA Rule 2272, this disclosure must be provided to any active, retired, discharged or separated member of the U.S. Armed Forces (or a dependent thereof) **PRIOR** to the sales and offers of sale of all securities and insurance products that are made on the premise of a Military Installation. For purposes of this rule, a Military Installation is any federally owned, leased, or operated base, reservation, post, camp, building or other facility to which members of the U.S. Armed Forces are assigned for duty, including barracks, transient housing, and family quarters.

PLEASE BE ADVISED OF THE FOLLOWING:

- All sales and offers of sales of securities and insurance products are offered through Private Client Services, LLC, Member FINRA and SIPC, located at 2225 Lexington Road, Louisville, KY 40206. (800) 966-9347
- The securities offered are not being offered or provided on behalf of the federal government, and the offer of such securities is not sanctioned, recommended, or encouraged by the federal government.

Minnesota Residents

Private Client Services ("PCS") requires the signed *Minnesota Resident Disclosure Form* to be obtained by any Representative who opens any new account for a Minnesota resident, either through the clearing firm or direct with an investment sponsor, and regardless of whether another account already exists for the client or whether the Representative maintains a place of business in the State of Minnesota. The signed form must be submitted with the *Customer Account Form* in order to open the account, and a signed copy is to be retained in the client file at the Branch Office location.

MINNESOTA RESIDENT DISCLOSURE

Pursuant to Minnesota Rule 2876.5024, Minnesota residents are entitled to disclosure of the type of compensation earned by advisors, along with the services and types products offered by the advisor when accounts are established.

- As a Registered Representative of Private Client Services, I am compensated through:
  a. … commissions generated from the products I sell you,
  b. … advisory fees, or
  c. … a combination of (a) and (b).
- I am authorized to offer products through Pershing, LLC as custodian, or directly through various other mutual fund, or Insurance product providers. I am licensed in Minnesota as a Registered Representative and/or an Investment Advisor Representative.
- The license entitles me to offer and sell the following products and/or services:
  a. … investment advisory and financial planning services,
  b. … individual stocks, bonds, options, or other general securities,
  c. … mutual funds, annuities, or other insurance products,
  d. … or a combination of each.

Rollover Disclosure

A decision to move and invest assets from a former employer's qualified retirement plan (i.e. 401(k), 403(b), 457(b), etc.) is an important one. This disclosure form is meant to aide in that consideration. If you retire or otherwise leave your employer there are a number of factors to when determining what option best fits your individual needs and objectives. Factors include among others, tax implications, changes in account features and consider differences in fees and expenses. Generally, the following 4 options are available:

OPTION 1: *Take a full lump sum distribution ("cash out") directly from the qualified employer plan. This option may involve the most significant tax implications. You are strongly encouraged to consult with a qualified tax professional.*

Advantages	Disadvantages
➢ Immediate access to your money. ➢ After-tax contributions made could be taken tax-free though tax on the earnings of those contributions may be taxed. ➢ If age 55 or older the year you separate from your employer, distributions from the employer plan may avoid the 10% early withdrawal tax penalty (versus. 59.5 year old cutoff in an IRA). *Applicable state and federal income taxes still apply.*	➢ Potentially significant state and federal income tax implications (i.e. higher income tax bracket) along with a 20% mandatory federal tax withholding. ➢ If younger than age 55 the year you separate from your employer, an early withdrawal tax penalty (10%). ➢ Lose future tax-deferred growth potential. ➢ Lose protection from creditors or bankruptcy.

OPTION 2: *Continue tax-deferred growth by leaving assets in the former employer plan, if allowed.*

Advantages	Disadvantages
➢ Maintain tax-deferred status. ➢ Fees could be lower than in an IRA ➢ Maintain existing investment choices ➢ Penalty-free withdrawals if at least 55 years old in the year you separate from employer. *Applicable state and federal income taxes still apply.* ➢ Protection from creditors and bankruptcy. ➢ Educational resources, tools and phone support may be provided. ➢ Avoid early withdrawal penalties.	➢ Limitations on investment choices ➢ Subject to the plan's potentially limited distribution stipulations. ➢ Subject to ongoing changes made to the plan (i.e. investment choices, services, fees, providers of the plan, and termination of the plan) ➢ Plan administration fees may be assessed. ➢ Loss of ability to add new contributions ➢ Access to personalized advice taking into consideration other assets may not be available through the retirement plan.

OPTION 3: *Rollover assets into a new employer's qualified plan, if available and allowed.*

Advantages	Disadvantages
➢ Maintain tax-deferred status. ➢ Fees could be lower than in an IRA ➢ Consolidate retirement savings into one account while continue making contributions. ➢ The Plan is required to prudently monitor cost and quality of investment options. Penalty-free withdrawals if at least 55 years old in the year you separate from employer. Applicable state andfederal income taxes still apply. ➢ Protection from creditors and bankruptcy. ➢ Educational resources, tools and phone support may be provided. ➢ Plan may allow you to borrow a portion of the money.	➢ Limitations on investment choices ➢ Subject to the plan's potentially limited distribution stipulations. ➢ Subject to ongoing changes made to the plan (i.e. investment choices, services, fees, providers of the plan, and termination of the plan) ➢ Plan administration fees may be assessed. Loss of ability to add new contributions ➢ Access to personalized advice taking into consideration other assets may not be available through the retirement plan. ➢ New plan may offer fewer or more costly investment options than the former employer's plan. ➢ Potentially more limited in on withdrawals while employed.

OPTION 4: *Rollover assets into an Individual Retirement Account (IRA) and/or Roth IRA (account type depends whether monies invested were contributed as pre-tax or after-tax).*

Advantages	Disadvantages
➢ Maintain tax-deferred status. ➢ Ability to consolidate retirement savings into one account and continue making contributions. ➢ More personal control. ➢ More investment options. ➢ Protection from bankruptcy. ➢ May have services of a dedicated financial professional who can provide investment recommendations and assistance with overall retirement planning.	➢ Expenses and account fees may be higher than employer plans. ➢ No fiduciary required to monitor the cost and quality of the investment options. ➢ IRS penalty-free withdrawals generally not allowed until age 59 1/2 for a traditional IRA. ➢ Generally, loans are restricted. ➢ Protection from creditors may be limited.

The advantages and disadvantages discussed in this form are for educational purposes and should not be construed as ERISA, tax, legal orinvestment advice. You are encouraged to consult with a qualified tax professional regarding your specific circumstances and available options which best fit your needs and objectives. You may also refer to the following FINRA investor alert for additional information in The IRA Rollover: 10 Tips to Making a Sound Decision. (https://www.finra.org/sites/default/files/p590722_0_0.pdf)

Investment Advice Fiduciary Acknowledgements:

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 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. 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 interest, 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.*

Payment for Order Flow (SEC Rule 607)

In accordance with SEC Rule 607, Private Client Services LLC provides its customers with this annual notice regarding a customer's right to information on payment for order flow received from market centers and regional exchanges to which the Broker-Dealer routes for execution.

Rule 607 was amended by the SEC to enhance market transparency and provide descriptions of the terms of any payments received for order flow and any profit-sharing arrangements that may influence a Broker-Dealer's order routing decision.

Private Client Services, LLC does NOT receive payment for routing certain orders in equity securities to specialized market maker firms and alternative market centers for execution. The Firm does not receive incentives for trade volumes or have any agreements regarding minimum order flow. Additionally, PCS does not receive disincentives for failing to meet minimum order flow thresh-holds or participate in anyvolume-based tiered payment schedules.

For Order Routing through Pershing, LLC:

Pershing sends certain equity orders to exchanges or broker-dealers during normal business hours and during extended trading sessions. Some of these market centers provide payments to Pershing or charge access fees depending upon the characteristics of the order and any subsequent execution.

In addition, Pershing may execute certain equity orders as principal or route orders to an affiliate, called BNY Mellon Capital Markets, LLC, which may also execute as principal while facilitating the trade as a market maker. The details of these payments and fees are available upon written request.

Pershing receives payments for directing listed options order flow to certain option exchanges through broker dealers, which allows Pershing to access price improvement auctions on the various options exchanges. Compensation is generally in the form of a per- option contract cash payment. For a list of organizations that pay Pershing for order flow, please refer to orderroutingdisclosure.com.

For Order Routing through TD Ameritrade:

TD Ameritrade may receive remuneration from market venues for directing orders to them. The source and amount of these payments is available upon written request. Market venues may act as principals to buy, sell, or hold securities for their own accounts, and they maymake money when executing trades.

Any customer inquiries or questions regarding payment for order flow should be directed to the Chief Operations Officer (compliance@pcsbd.net).

Schwab Order Routing

In arranging for the execution of Non-Directed Orders for equities and listed options, Schwab seeks out industry-leading execution services and access to the best-performing markets. Schwab routes orders for execution to unaffiliated broker-dealers, who may act as market maker or manage execution of the orders in other market venues and also routes orders directly to major exchanges.

Schwab considers a number of factors in evaluating execution quality among markets and firms, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, the likelihood of execution when limit orders become marketable, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. Schwab regularly monitors the execution quality obtained to ensure orders are routed to market venues that have provided high-quality executions over time.

Relationships with Market Venues

A principal benefit of executing orders through liquidity providers is the higher likelihood of price improvement such firms can provide, as well as enhanced liquidity or price protection for larger orders (i.e., executions at greater size than the limited size displayed at the current market quote). Schwab tracks execution data closely and maintains order routing arrangements with leading liquidity providers to maximize opportunities for price improvement and liquidity enhancement. On most Schwab platforms, clients can see the price improvement received on eligible equity orders on the Order Status page or in Order Messages. To find out the percentage of orders that have received price improvement and the average improvement amounts over the last quarter, visit our Retail Execution Quality Statistics page.

Payment for Order Flow

As part of a common industry practice known as Payment for Order Flow, Schwab receives rebates from liquidity providers and certain exchanges based upon the order flow executed at each destination. Some orders require us to pay associated transaction costs, but most orders result in rebates. Net rebates received by Schwab are used to offset transaction and order processing or handling costs and help us maintain very low commission rates for our clients. Rebate rates are substantially similar among the various securities exchanges and liquidity providers, although they vary based upon order characteristics (i.e., marketable vs. non-marketable).

At Schwab we put our clients' interests first. Therefore, best execution for our clients always takes priority when determining where to route orders. Any eligible rebates from a particular market center are not a consideration in order routing decisions.

Quarterly information regarding the market venues to which we route orders and remuneration we receive is at https://www.schwab.com/legal/order-routing-1. Information regarding the routing destination and time of execution of individual orders for up to a six-month period is also available.

Money Market Rates (Liquid Insured Deposits℠)

Terms and Conditions

I. Introduction

The Liquid Insured Deposits℠ Program (the "**Program**") is offered to you by your investment professional or financial organization ("**Investment Professional**") as a sweep option and is intended for the investment of available cash balances into bank deposit accounts. By selecting the Program as your automatic cash investment option, you agree to these Terms and Conditions and to appoint Pershing LLC ("**Pershing**") as your authorized agent pursuant to these Terms and Conditions. Pershing has appointed Reich & Tang Deposit Solutions, LLC ("**R&T**") to provide certain services with respect to the operation of the Program. There is no minimum amount required as an initial deposit or for subsequent deposits. Subject to certain exceptions, the maximum amount of Federal Deposit Insurance Corporation ("**FDIC**") deposit insurance coverage available under the Program for your bank deposits currently is $2.5 million for each category of legal ownership as more fully explained below.

These Terms and Conditions for the Program are supplemental to those contained in your existing account agreements you executed to open and maintain with Pershing through your Investment Professional.

YOU UNDERSTAND THAT TO ENROLL IN THE PROGRAM, YOU HAVE EITHER (1) RECENTLY INSTRUCTED YOUR INVESTMENT PROFESSIONAL TO DIRECT YOUR CASH PENDING INVESTMENT TO THIS INSURED BANK DEPOSIT SWEEP OPTION, OR (2) GIVEN YOUR REGISTERED INVESTMENT ADVISOR OR INVESTMENT PROFESSIONAL DISCRETION TO MAKE INVESTMENT DECISIONS FOR YOUR ACCOUNT.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED AND CAREFULLY READ THESE TERMS AND CONDITIONS AS WELL AS THE DISCLOSURES WITH RESPECT TO INTEREST RATES IN CONNECTION WITH CHOOSING TO ENROLL IN THE PROGRAM. IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE PROVISIONS OF THESE TERMS AND CONDITIONS, PLEASE CALL YOUR INVESTMENT PROFESSIONAL.

II. Summary of Terms and Conditions

This Section II of the Terms and Conditions is a summary of certain features of the Program. It is prepared for your convenience, and must be read in conjunction with the more detailed disclosure below.

<u>A Summary of the Program:</u> Pershing and R&T operate the Program which, if you choose to participate, sweeps your excess cash balances in your brokerage account carried at Pershing to money market deposit accounts at various depository institutions ("**Program Banks**") and sweeps your cash from those various Program Bank accounts to cover purchases of securities and other debits in your brokerage account carried at Pershing. You receive interest on your balances held on deposit at the various Program Banks.

<u>FDIC Insurance:</u> Your funds are routed through our intermediary bank and deposited into interest-bearing FDIC-insured omnibus money market deposit accounts at the Program Banks which hold your and our other customers' funds, and in which you will hold a beneficial interest. Your deposits, plus interest earned thereon, ("**Liquid Insured Deposits**") are held in those Program Bank account(s) in a manner designed to currently provide you with up to $2.5 million of FDIC insurance under the Program. Pershing, as your agent, allocates your Liquid Insured Deposits among a number of Program Bank accounts to seek to maximize FDIC deposit insurance coverage available under the Program, which protects you in the event of a bank failure. FDIC deposit insurance coverage is normally available for your Liquid Insured Deposits up to the FDIC standard maximum deposit insurance amount ("**SMDIA**"), which is currently $250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by you in the same Program Bank and in the same legal category of account ownership. Thus, the maximum amount of Liquid Insured Deposits eligible for FDIC insurance coverage would not exceed the SMDIA per legal category of account ownership multiplied by the number of participating Program Banks that you have not excluded from receiving your deposits under the Program, less any funds that you may hold in a Program Bank outside of the Program in the same legal category of account ownership but not to exceed the Program limit of $2.5 million. For example, based on the SMDIA of $250,000 per legal category of account ownership per Program Bank and an assumption that there are 10 or more Program Banks eligible to receive your deposits through the Program, and provided that you do not have any funds on deposit at a Program Bank outside of the Program, your maximum insured Liquid Insured Deposits would be $2.5 million per legal category of account ownership. Pershing will notify you if, at any time, this $2.5 million Program limit is changed.

Pershing has established standing instructions with each Program Bank to help ensure that Pershing maintains control over your funds at each Program Bank at all times. Pershing uses the services of R&T to perform allocations among the Program Banks to seek to maximize FDIC insurance coverage of your money under the Program. However, any money that you hold at a Program Bank outside the Program may impact the insurance coverage available as neither Pershing, your Investment Professional nor R&T monitors or takes any responsibility for money you may have at a Program Bank outside the Program. You are solely responsible for monitoring this. As such, you should regularly review the then current list of Program Banks carefully. A current list is attached, and the Program Banks holding your money at month-end also will be listed on your account statements. You have the right to instruct Pershing that your Liquid Insured Deposits not be allocated to a particular Program Bank. See Sections G, FDIC Deposit Insurance: Operations and Limitations, and H, Ability to Exclude Program Banks.

<u>Securities Investor Protection Corporation ("**SIPC**"):</u> SIPC insures certain customer assets held at broker-dealers, such as Pershing, in the event of the failure of the broker-dealer. Although SIPC covers securities in client brokerage accounts up to $500,000 (including a maximum of $250,000 for uninvested cash held in the brokerage account), the deposits made through the Program are not insured by SIPC. Note that SIPC does not insure against the loss of value of any investment or product. See Section B, Differences Between Liquid Insured Deposits and Money Market Funds. For more information about SIPC see www.sipc.org.

<u>Access to Funds:</u> You will access funds through your brokerage account, by contacting your Investment Professional. In the event of the failure of your Investment Professional, you may seek to access your funds by contacting Pershing at 1-201-413-3333. In the event of the failure of Pershing, you may seek to access your funds by contacting R&T at 1-800-433-1918 or the Program Bank. As explained in Section L, Account Statements, your Pershing account statements will list the names of the Program Banks holding your money and your month-end balance. See Section F, Withdrawals.

<u>Determination of Interest Rates:</u> Interest rates may fluctuate. Program Bank interest rates, as well as money market rates, will be available from your Investment Professional. See Section K, Interest and Compensation to Pershing and R&T.

<u>Conflicts of Interest:</u> Your Investment Professional, Pershing, and R&T may earn fees based on the amount of money in the Program, including your money. Your Investment Professional may earn a higher fee if you participate in the Program than if you invest in other money market products, such as money market mutual funds. See Section III, Paragraph D, Information about Pershing and R&T and Paragraph K, Interest and Compensation to Pershing and R&T.

<u>Risks of the Program:</u> You may receive a lower rate of return on money deposited through the Program than on other types of money market investments, such as money market mutual funds. Program Banks are permitted to impose a seven-day delay on any withdrawal request. In the event of a failure of a Program Bank, there may be a time period during which you may not be able to access your money. If you have money at a Program Bank outside the Program, this may negatively impact the availability of FDIC insurance for the total amount of your funds held within and outside the Program. If you have on deposit through the Program funds in an amount of money that exceeds the number of Program Banks multiplied by the SMDIA, the balance in excess of that amount will not be insured by the FDIC. If you exclude one or more Program Banks, the amount of deposit insurance available to you under the Program (currently $2.5 million) may decrease.

III. Detailed Terms and Conditions

A. Account Eligibility

This Program is available to the following types of accounts: individual, joint, IRAs, certain business entities including corporations, and certain fiduciary and trust accounts provided the beneficiaries are individuals or otherwise eligible to maintain a bank deposit. In order to obtain FDIC insurance in the Program, you must provide proper and correct tax identification information to Pershing and R&T.

B. Differences Between Liquid Insured Deposits Program and Money Market Funds

The money market mutual funds made available through Pershing are registered with the U.S. Securities and Exchange Commission ("**SEC**") under both the Investment Company Act of 1940 and the Securities Act of 1933. The Liquid Insured Deposits Program made available through Pershing is not a registered fund, but is a program under which your funds are swept to, and held in, money market deposit accounts at Program Banks that are regulated by bank regulatory agencies under various federal and/or state banking laws and regulations.

Liquid Insured Deposits are obligations of the Program Banks in which the Deposits are held and qualify for FDIC insurance protection per depositor in each recognized legal category of account ownership in accordance with the rules of the FDIC. An investment in a money market mutual fund is not insured or guaranteed by the FDIC.

A Program Bank account under the Program is not covered by the SIPC. SIPC is a non-profit member corporation funded primarily by member securities brokerage firms registered with the SEC. SIPC provides protection against risks to clients of member brokerage firms, like Pershing, in the event of the failure of that member firm. SIPC covers securities in client brokerage accounts up to $500,000 (including a maximum of $250,000 for uninvested cash held in the brokerage account). However, SIPC does not insure against the failure of the issuer of securities and does not guarantee bank deposits. For more information about SIPC see www.sipc.org.

Your Liquid Insured Deposits earn interest at the Program Banks in which the deposits are held, and a money market fund investment earns dividends on fund shares held in your brokerage account. The interest earned on your Liquid Insured Deposits may fluctuate and may be greater or less than the then current yield on a money market fund investment. Please see Section K, Interest and Compensation to Pershing and R&T.

While a registered investment company, such as a money market mutual fund, is bound by fiduciary obligations to its shareholders to seek the highest rates prudently available (less fees and expenses), Pershing, R&T, and the Program Banks are under no such obligation.

Of course, you may also be able to choose, as an automatic cash investment option, other sweep alternatives. Please call your Investment Professional for additional information.

C. Relationship with Pershing

Pershing is acting as your agent in establishing and maintaining Program Bank accounts, including depositing your money to and withdrawing your money from the Program Bank accounts. Having instructed your Investment Professional to enroll you in the Program, your first bank deposit will constitute your appointment of Pershing as your agent to effect deposits to and withdrawals from Program Bank accounts in connection with the Program. Pershing has approved the Program Banks which maintain the account(s) used for the deposit or withdrawal of your money. Pershing retains R&T to determine into which Program Bank(s) your money will be deposited to seek to maximize the amount of FDIC insurance available to you under the Program.

D. Information about Pershing and R&T

Pershing, a wholly owned indirect subsidiary of The Bank of New York Company Mellon Corporation, is a registered broker-dealer in securities and is a member organization of the New York Stock Exchange (NYSE) and the Financial Industry Regulatory Authority ("**FINRA**").

R&T is not, itself, a bank, broker-dealer, or investment adviser and does not hold any of your Liquid Insured Deposits.

None of the Program Banks is an affiliate of R&T. Program Banks may be affiliated with Pershing or your Investment Professional from time to time. Program Banks who are affiliated with Pershing or your Investment Professional may be given sequence priority to receive deposits or may operate under terms that are not available to unaffiliated Program Banks. For a list of affiliated Program Banks and other related disclosures please contact your Investment Professional.

E. Deposits

By enrolling in the Program, you consent to have excess cash balances pending investment in your brokerage account automatically deposited into accounts at Program Banks. Each business day, Pershing or its agent bank, utilizing the services of R&T, will deposit the excess cash balances in your brokerage account to one or more omnibus money market deposit accounts maintained at the Program Banks held in the name of "Pershing LLC as Agent for the Exclusive Benefit of its Customers, Acting For Themselves and/or Acting in a Fiduciary Capacity For Others." Your Liquid Insured Deposits ownership will be evidenced by an entry on records maintained by Pershing and R&T, as Pershing's agent and record keeper, for each of the Program Banks at which your funds are on deposit. You will not be issued any evidence of ownership of a Program Bank account, such as a passbook or certificate. However, your brokerage account statement will reflect all deposits, withdrawals, Program Bank deposit balance(s) and interest rate.

Funds intended for deposit into the Program must be placed through your brokerage account and cannot be placed directly by you with R&T or any of the Program Banks. Only balances transferred by Pershing, or R&T on behalf of Pershing, will be eligible for inclusion in a Program Bank account. Excess cash balances in your brokerage account on each business day will be transferred to Program Bank accounts on the next business day.

F. Withdrawals

By enrolling in the Program, you consent to have your money on deposit at the Program Bank(s) automatically withdrawn from the Program Bank accounts in the event of a debit in your brokerage account carried at Pershing or, on settlement date, to pay for securities purchased for or sold to your account carried at Pershing. Each business day as needed, Pershing or its agent bank, utilizing the services of R&T, will withdraw your cash from the omnibus money market deposit accounts maintained at the Program Banks held in the name of "Pershing LLC as Agent for the Exclusive Benefit of its Customers, Acting For Themselves and/or Acting in a Fiduciary Capacity For Others."

You may make withdrawals from the Program, in any amount, not to exceed your total account balance in the Program, through your brokerage account. Withdrawals from the Program cannot be made directly by you through R&T or any of the Program Banks. Checks, ACH payments, debit cards, ATM withdrawals, direct deposits, credits and other transactions and items for your brokerage account are processed through that account rather than through the Program accounts. In the event of the failure of Pershing, you may seek to access your funds by contacting R&T at 1-800-433-1918 or the Program Banks. R&T and the Program Banks reserve the right to require you to present any information, identification, certification or any other documentation reasonably deemed necessary by R&T or the Program Banks to establish your entitlement to funds prior to disbursing any funds to you.

G. FDIC Deposit Insurance: Operation and Limitations

Your Liquid Insured Deposits are deposited into omnibus money market deposit accounts at the Program Banks in a manner currently designed to provide you with up to $2.5 million of FDIC insurance, subject to certain exceptions described herein. Your coverage under the Program will be limited to the extent that you hold deposits directly, or through others, in the same recognized legal category of ownership at the same Program Banks as you hold deposits through the Program. The FDIC protects you against the loss of your insured Liquid Insured Deposits in the event a Program Bank fails. FDIC deposit insurance is backed by the full faith and credit of the United States. Specifically, FDIC deposit insurance coverage shall be available for your Liquid Insured Deposits up to the SMDIA, which is currently $250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by you in the same Program Bank and in the same legal category of account ownership.

Until your funds are actually received in investible form and processed by the Program Banks, your funds may not be FDIC-insured. For example, after your excess funds are swept out of your brokerage account carried at Pershing, your funds may be held at our intermediary bank intraday, overnight or over the weekend to the next bank business day or longer, before being actually received in investible form by the Program Banks. During any such period before investable funds are received by the Program Banks, any amount held by the intermediary bank in excess of the SMDIA for a FDIC-recognized category of account ownership (currently, $250,000) will not be covered by FDIC insurance. However, the Program is designed such that it endeavors to have funds deposited at the Program Banks on the same business day that they are transferred.

Your Program Funds are allocated among a number of Program Banks to seek to maximize the potential FDIC deposit insurance coverage up to the Program limit. R&T, in its sole discretion, may limit the total deposit for you at any Program Bank to an amount less than the maximum permitted amount up to $250,000. In the aggregate, the maximum amount of Liquid Insured Deposits eligible for FDIC deposit insurance coverage shall not exceed the SMDIA per legal category of account ownership *multiplied* by the number of participating Program Banks in the Program that you have not excluded from receiving your deposits, *less* any funds that you may hold on deposit in the Program Banks outside of the Program in the same legal category of account ownership but not in excess of the Program limit. The number of participating Program Banks will vary.

Hypothetical Example of the Program at work for you: Your funds will be deposited in Program Bank "X." Once the predetermined threshold is reached for your funds on deposit at Bank "X", for example, $245,000, additional funds will be placed in Program Bank "Y," until the threshold for that Program Bank, for example, $245,000, is reached at Bank "Y," and so on. After the Program FDIC coverage limit of $2.5 million has been reached in the last Program Bank, any excess funds will be deposited in one or more of the already utilized Program Banks, subject to your elected exclusions. In this event, a portion or all of the excess may be uninsured.

If you have any money on deposit in a Program Bank outside of the Program, that money will not be taken into account in determining whether to allocate your money in the Program to a particular Program Bank.

For example, if the SMDIA is $250,000 and you have a non-Program deposit account at Bank "A" of $200,000 and you also have $60,000 in Liquid Insured Deposits at Bank A in the same legal category of ownership as your separate deposit, only $250,000 of your $260,000 is insured by the FDIC.

A number of factors can affect your insurance coverage, including bank mergers. Because neither Pershing nor R&T would be aware of deposits made by you outside of this Program, you are solely responsible for monitoring the total amount of all deposits you have at each Program Bank for purposes of calculating your FDIC coverage. In addition, if for any reason the amount deposited in the Program accounts exceeds the number of Program Banks available to your account multiplied by the SMDIA, the excess funds would not be insured by the FDIC. None of Pershing, R&T or your Investment Professional is responsible for any insured or uninsured portion of your deposits in any of the Program Banks.

In the event that FDIC deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest up to the SMDIA per legal category of account ownership multiplied by the number of Program Banks shall be made to you. However, there is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

R&T will use all commercially reasonable efforts to ensure that no more than $250,000 of your funds will be deposited in any single Program Bank, subject to the discussion above.

H. Ability to Exclude Program Banks

You may exclude any Program Bank from holding your Liquid Insured Deposits by notifying your Investment Professional. There will be a delay between the time you make your request and the time that such Program Bank is excluded. If you exclude one or more Program Banks, the maximum level of FDIC insurance available under the Program may decrease. Contact your Investment Professional at the time you exclude the Program Bank to confirm the new maximum amount of Federal deposit insurance available to you under the Program.

I. Your Responsibility to Monitor Your Automatic Cash Investment Options

Neither Pershing nor R&T has any obligation to monitor this automatic cash sweep option for your account or to make recommendations about, or changes to, the Program that might be beneficial to you. As returns on the Liquid Insured Deposits, your personal financial circumstances and other factors change, it may be in your financial interest to change your automatic cash sweep investment option or invest cash from your brokerage account in other investment vehicles. You can determine what automatic cash investment options and other investments are available and the current rates and returns thereon at any time by calling you Investment Professional.

J. Program Banks

A list of the current Program Banks accompanies these Terms and Conditions. You may obtain a current list of Program Banks at any time by calling your Investment Professional or visiting www.Pershing.com/rates.html. Your monthly customer statements also list the Program Banks that hold your Liquid Insured Deposits and the amount in each of those Program Banks as of the statement date. The Program Banks that hold your Liquid Insured Deposits may change at any time during a statement period. Accordingly, if you want to know the Program Bank at which your Liquid Insured Deposits are located at any particular time, contact your Investment Professional.

Each Program Bank is a separate FDIC-insured depository institution. You can obtain publicly available financial information for all Program Banks at the FDIC's website at www.fdic.gov; or by contacting the FDIC's Division of Information and Research by writing to Federal Deposit Insurance Corporation, Division of Information and Research, 550 17th Street, N.W., Washington, D.C. 20429-9990; or by calling the FDIC's Division of Information and Research at 877-275-3342. Neither Pershing nor R&T guarantees the financial condition of any Program Bank, or the accuracy of any publicly available information concerning a Program Bank. Pershing and R&T are not responsible for any insured or uninsured portion of any deposits at a Program Bank. You expressly give your consent to Pershing, R&T and their service providers providing your customer account information to Program Banks for purposes of your involvement in the Program.

Pershing or R&T may add additional Program Banks, delete Program Banks, and determine the order of Program Banks to which your Liquid Insured Deposits will be allocated, at their sole discretion and without notice to you. Cash balances will be automatically invested in any one of the Program Banks, in any order, that Pershing and R&T determine is appropriate, subject to your instructions to exclude a Program Bank. Pershing or R&T, upon approval from Pershing, may transfer balances between Program Banks at its sole discretion.

Pershing also utilizes one or more intermediary banks to route funds in the Program.

The Program Bank accounts established by Pershing on behalf of its customers, as customers' agent, constitute a direct obligation of the Program Bank(s) and are not directly or indirectly an obligation of R&T or Pershing. In the event a Program Bank rejects additional deposits, withdraws entirely, or is terminated from participation, then you hereby authorize and direct Pershing, as your agent, to move, or direct R&T to move, your Liquid Insured Deposits to another FDIC-insured Program Bank.

Under federal regulations, Program Banks may reserve the right to require seven (7) days' notice before permitting a transfer of funds out of a money market deposit account. While the Program Banks have not indicated their intention to implement such a policy, a Program Bank may, at any time, choose to do so.

K. Interest and Compensation to Pershing and R&T

Interest

The amount of paid interest and the annual percentage yield earned ("**APYE**") applicable to your Liquid Insured Deposits will be stated on your brokerage account statement. Contact your Investment Professional to obtain the current interest rate and APY being paid on your Liquid Insured Deposits, the names of the Program Banks, your account balances at each of the Program Banks as of the most recent business day, and other account information.

The interest rate paid to you is determined pursuant to agreements with the Program Banks and is subject to change at any time. The interest rate on the Deposit Accounts is determined by the amount that Banks are willing to pay on the Deposit Accounts less the fees paid to Pershing and R&T as set forth below under "Compensation to Pershing and R&T". The interest rate may fluctuate daily.

Interest will be compounded daily and posted monthly to the Program Bank account. Interest will accrue on deposits from the day they are received in investible form by the Program Bank through the business day preceding the date of withdrawal from the Program Bank. The "daily balance method" is used to calculate interest. This method applies a daily periodic interest rate to the principal in the account for the period. The daily rate is 1/365 (or 1/366 in a leap year) of the applicable annual rate. The interest rate you earn on your Liquid Insured Deposits may be higher or lower than the rates available to depositors making non-Program deposits with Program Banks directly, through other types of accounts at Pershing, or with other depository institutions in comparable accounts. Any fees imposed under the Program could reduce earnings on your Liquid Insured Deposits. You should compare the terms, rates of return, required minimum amounts, charges and other features of a Liquid Insured Deposit with other accounts and investment alternatives.

Compensation to Pershing and R&T

Each Program Bank pays Pershing and R&T fees for services related to your Liquid Insured Deposits equal to a percentage of the average daily deposit balance in the Deposit Balances at the Bank. The amount of fee received by Pershing and R&T will directly affect the interest rate paid by the Bank on your Deposit Account. In its discretion, Pershing may reduce its fee to increase the interest rate paid to Deposit Accounts. The fees paid to Pershing and R&T by each Program Bank may vary. Pershing may pay a portion of its fees to your Introducing Broker Dealer and Investment Professional. Your Introducing Broker Dealer and Investment Professional may earn a higher fee if you participate in the Program than if you purchase shares in a money market fund.

Fees and Other Matters

Each Program Bank earns net income from the difference between the interest it pays on deposit accounts, such as the Liquid Insured Deposits, and the income it earns on loans, investments, and other assets.

There is no minimum deposit amount to participate in the Program and no minimum balance to maintain your participation in the Program. There also is no minimum period that your money must remain on deposit in the Program and no limitations on the number or dollar amount of withdrawals from, or deposits to, the Program accounts. There is no penalty or fees for withdrawal of your entire balance, or any part thereof, at any time.

L.Account Statements

You will receive a periodic account statement from Pershing. All activity with respect to your Liquid Insured Deposits, including interest earned for the period covered, will appear on your periodic account statement, including the total of your opening and closing Liquid Insured Deposit balances. You will not receive a separate statement from the Program Banks or R&T. Your periodic account statement will be mailed monthly. You should retain all account statements.

Within 30 days you must immediately notify your Investment Professional of any discrepancies you note on your account statement. See Section P below.

M. Tax Reporting

The discussion contained in this document as to U.S. Federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support

the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek U.S. Federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

The interest that you receive from your Liquid Insured Deposits is generally fully subject to federal, state and, where applicable, local tax. An I.R.S. Form 1099 will be sent to you by Pershing for each year, showing the amount of interest income you have earned from your Liquid Insured Deposits. You will not receive a Form 1099 if you are not a citizen or resident of the United States or Canada.

N. FDIC Deposit Insurance for FDIC-Recognized Categories of Account Ownership; Multi-Tiered Fiduciary Relationships

To ensure that your Program Deposits are protected by FDIC insurance to the fullest extent possible under the Program, you should understand how FDIC insurance applies to each FDIC-recognized category of account ownership.

In general, the FDIC-recognized categories of account ownership include single ownership accounts; accounts held by an agent, escrow agent, nominee, guardian, custodian, or conservator; annuity contract accounts; certain joint ownership accounts; certain revocable trust accounts; accounts of a corporation, partnership, or unincorporated association; accounts held by a depository institution as the trustee of an irrevocable trust; certain irrevocable trust accounts; certain retirement and other employee benefit plan accounts; and certain accounts held by government depositors.

The rules that govern these categories of account ownership are very detailed and very complex, and there are many nuances and exceptions. Complete information can be found at the FDIC's regulations set forth at 12 C.F.R. Part 330.

The FDIC's regulations impose special requirements for obtaining pass-through FDIC insurance coverage, up to the SMDIA (currently $250,000 for each FDIC-recognized category of account ownership), for multiple levels of fiduciary relationships. In these situations, in order for FDIC insurance coverage to pass through to the true beneficial owners of the funds, it is necessary (i) to expressly indicate, on the records of the insured depository institution that there are multiple levels of fiduciary relationships, (ii) to disclose the existence of additional levels of fiduciary relationships in records, maintained in good faith and in the regular course of business, by parties at subsequent levels, and (iii) to disclose, at each of the level(s), the name(s) and the interest(s) of the person(s) on whose behalf the party at the level is acting. No person or entity in the chain of parties will be permitted to claim that they are acting in a fiduciary capacity for others unless the possible existence of such a relationship is revealed at some previous level in the chain. If your Liquid Insured Deposits are beneficially owned through multiple levels of fiduciary relationship, you must take steps to comply with these special requirements.

For questions about FDIC insurance coverage, you may call the FDIC at 877-275-3342 or visit the FDIC's web site at www.fdic.gov.

You also may wish to utilize "EDIE The Estimator," the FDIC's electronic insurance calculation program, which is found at https://www.fdic.gov/edie/index.html. Other information regarding FDIC insurance coverage may be found at the "Deposit Insurance" section of the "Quick Links for Consumers & Communities" on the FDIC's web site at http://www.fdic.gov/quicklinks/consumers.html.

O. Business Continuity

In the event you are unable to contact your Investment Professional due to a business interruption event, such as a natural disaster, you may contact Pershing. In the event you cannot contact Pershing you may call R&T at 1-800-433-1918 for account information.

P. Notice of Unauthorized Activity

Please refer to the Regulation E/ Electronic Funds Transfer section of the Disclosure Statement delivered to you by Pershing upon opening of your brokerage account or found by selecting Business Continuity and Other Disclosures on www.pershing.com.

Q. Other Terms

Limits on Certain Deposit Accounts: Federal banking regulations impose certain limitations on transfers from money market deposit accounts. The Program seeks to rely on certain exemptions and interpretive relief granted by the Federal Reserve Board in connection with these limitations. However, the transactional capabilities of the brokerage account are limited; your authorized agent and R&T may impose limitations on transfers without prior notice. Limits on transfers will not limit the interest rate you earn or the amount of FDIC insurance coverage for which you are eligible.

Inactive Accounts: Pershing and the Program Banks may be required by law to turn over (escheat) any portion of your Liquid Insured Deposits to a state, typically your state of residence, based on account inactivity for a certain time period established by applicable state law. If funds are remitted to the state, you may file a claim with the state to recover the funds.

Assignment by Customer: Neither these Terms and Conditions nor your participation in the Program may be assigned or transferred by you to any other person or entity, except for (i) a transfer by a change in ownership of the linked Pershing Account or (ii) a transfer that occurs due to death, incompetence, marriage, divorce, attachment or otherwise by operation of law, in which case, such transfer shall not be binding on Pershing, R&T, or the Program Banks unless and until sufficient, acceptable documentation has been received by such entities.

Assignment by Pershing and R&T: Pershing and R&T may assign and transfer their respective rights and obligations under the Program, including, without limitation, pursuant to these Terms and Conditions, to one or more of its affiliates or subsidiaries or to any person that acquires all or substantially all of the assets of Pershing or R&T, without prior notice to you and without obtaining your consent.

Termination: Closing of Account: Pershing may, at its sole discretion and without any prior notice, suspend or terminate your participation in the Program. If you or Pershing, for any reason, close your brokerage account, your participation in the Program also will be terminated and your funds will be distributed out through the brokerage account according to the terms and conditions of your brokerage account agreement.

Right of Set-Off: Under the terms of your brokerage account agreement, Pershing may charge or set off any of your Liquid Insured Deposits against indebtedness or obligations you may have to Pershing. For further information on the right of Pershing regarding such indebtedness or obligations, you should review your brokerage account agreement. This provision does not apply where otherwise prohibited by law.

Ordinary Care: Any failure by Pershing, R&T, or any Program Bank to act or any delay by such party beyond time limits prescribed by law or permitted by these Terms and Conditions is excused if caused by your negligence, interruption of communication facilities, suspension of payments by another financial institution, war, act of terrorism, emergency conditions or other circumstances beyond the control of such party. You agree that any act or omission made by Pershing, R&T, or any Program Bank in reliance upon or in accordance with any provision of the Uniform Commercial Code as adopted in New York, or any rule or regulation of the State of New York, the New York Stock Exchange, Inc., Financial Industry Regulatory Authority, or a federal agency having jurisdiction over such party shall constitute ordinary care.

Personal Information: You agree that Pershing, R&T, the Program Banks and their respective service providers may share information concerning you and your accounts in connection with your participation in the Program and these Terms and Conditions to any affiliate of such entity or otherwise in accordance with applicable laws and regulations, Pershing's Privacy Policy and/or customary brokerage and banking practices. You agree that Pershing, R&T, the Program Banks and their respective service providers may obtain such information as may be necessary for legitimate business needs in connection with the operation of the Program. For information regarding the collection, processing and use of your personal information and your rights to limit the use and disclosure of such information, you should refer to the Pershing's Privacy Policy provided to you at the time you opened your brokerage account.

Alternatives to the Program: By your enrollment in the Program, you agree to the terms provided herein. You understand that, at any time, you may withdraw your consent to participate in the Program. If you withdraw your consent, and you do not designate a replacement automatic cash investment option for your brokerage account, the uninvested cash held through the Program will be credited to your brokerage account.

Days of Operation: The Program will operate on all days when both the NYSE and the Federal Reserve Bank of New York are open for business.

Tax Withholding: R&T or Pershing may be required to withhold U.S. federal income tax at the prevailing rate on all taxable distributions payable to certain depositors who fail to provide their correct taxpayer identification number or to make required certifications or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Interest earned on accounts held by entities (individuals or corporations) that are neither citizens nor residents of the United States, except for Canadian residents, is not subject to withholding tax.

Joint Account Owners. If your Account is a joint or other multi-party account, any one of the account owners may deposit or withdraw funds from the Account. You hereby authorize your Pershing or your Investment Professional to act on the verbal, written or electronic instructions of any of the account owners or authorized signers, and such entity will so honor the instructions of any such account owner.

Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL R&T OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY NATURE, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, GOODWILL OR BUSINESS INTERRUPTION.

Tax Identification Information. You acknowledge that the Program uses your tax identification information in order to allocate your Liquid Insured Deposits across Program Banks under the Program. If you do not provide, or if you do not have, a tax identification number, your funds may not be allocated across Program Banks to provide you with expanded FDIC insurance under the provisions of these Terms and Conditions.

Aggregation of Funds in Multiple Accounts. If you have more than one account in the Program with the same tax identification information, the funds in all such accounts are aggregated for the purpose of calculating the FDIC insurance Pershing and R&T treat as available under the Program. Depending on the individual facts and the ownership rights and capacities in which funds are held, additional FDIC insurance may be available. Refer to Section N above for further information about FDIC insurance.

Complaints: Any complaints regarding the Program should be addressed in writing to Pershing.

Legal Process: Pershing, R&T, and the Program Banks may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process, which such party reasonably and in good faith believes to be valid. Pershing may notify you of such process by telephone, electronically or in writing. If Pershing is not fully reimbursed for its record research, photocopying and handling costs by the party that served the process, Pershing may charge such costs to your brokerage account or Liquid Insured Deposits, in addition to its minimum legal process fee. You agree to indemnify, defend and hold Pershing, R&T, and the Program Banks harmless from all actions, claims, liabilities, losses, costs, attorney's fees, and damages associated with their compliance with any process that such party believes reasonably and in good faith to be valid. You further agree that Pershing, R&T, and the Program Banks may honor legal process that is served personally, by mail, or by facsimile transmission at any of their respective offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your Liquid Insured Deposits records are maintained.

Power & Authority: You represent and warrant that you have full power and authority to participate in the Program and to agree to and to perform these Terms and Conditions. In addition, if you are not an individual, you represent and warrant that (1) you are duly organized, validly existing and in good standing under the laws of its state or jurisdiction of organization, (2) you possess all requisite authority, power, licenses, permits, registrations and franchises and have made all governmental filings to conduct business wherever it conducts business and to execute, deliver and comply with you obligations hereunder and (3) your agreement to these Terms and Conditions and performance hereunder shall not conflict with or violate your governing documents or any law, regulation, decree, demand, order or any other contract or agreement to which it is subject.

R. General

Amendment: Pershing or R&T may modify these Terms and Conditions at any time by giving such notice as required by applicable law.

Waiver: Any provision of these Terms and Conditions may be waived if, but only if, such waiver is in writing and is signed by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Severability: If any term, provision, covenant or restriction of these Terms and Conditions is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of these Terms and Conditions shall remain in full force and effect and shall in no way be affected, impaired or invalidated

Entire Agreement: These Terms and Conditions and any other documents provided to you by Pershing or R&T in connection with the Program constitute the entire agreement with you regarding the Program, and supersedes all prior and contemporaneous agreements and understandings, both oral and written, with respect to the subject matter hereof. EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS, NO REPRESENTATIONS OR WARRANTIES (ORAL OR WRITTEN, STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) ARE MADE TO YOU REGARDING THE PROGRAM, INCLUDING, WITHOUT LIMITATION, AS TO MERCHANTABILITY, FITNESS FOR PURPOSE, CONFORMITY TO ANY DESCRIPTION OR REPRESENTATION, NON-INTERFERENCE OR NON-INFRINGEMENT. In the event of any inconsistency between a provision of these Terms and Conditions and a provision of any such other document provided to you in connection with the Program, the provision of these Terms and Conditions shall prevail.

Binding Effect: These Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, successors, legal representatives and assigns. Nothing in these Terms and Conditions, expressed or implied, is intended to confer on any person other than the parties hereto and R&T, and their respective permitted heirs, successors, legal representatives and assigns, any rights, remedies, obligations or liabilities under or by reason of these Terms and Conditions.

Governing Law: These Terms and Conditions are to be construed in accordance with and governed by the internal laws of the State of New York and the United States of America without giving effect to any choice of law rule that would cause the application of the laws of any other jurisdiction to the rights and duties of the parties. Unless otherwise provided herein, Pershing and R&T may comply with applicable clearinghouse, Federal Reserve and correspondent bank rules in processing transactions relating to your Liquid Insured Deposits. You agree that neither Pershing nor R&T is required to notify you of a change in those rules, except to the extent required by law.

Disputes: Except to the extent otherwise provided by applicable law, any action at law or in equity arising out of or relating to these Terms and Conditions shall be filed only in the courts of the State of New York in the City of New York, or in the United States District Court for the Southern District of New York, and you and R&T hereby consent and submit to the personal jurisdiction of such courts for the purposes of litigating any such action. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS.

Interpretative Provisions: The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. Any singular term in these Terms and Conditions shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in these Terms and Conditions, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. References to any document provided to you or to any agreement or contract are to that document, agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof or thereof. In any construction of the terms of these Terms and Conditions, the same shall not be construed against a party on the basis of that party being the drafter of such terms.

Version: 08/23/2012

Mutual Fund Share Class Disclosure

Mutual funds are available for purchase by an investor with varying sales charges and cost structures. While the underlying investments that make up the mutual fund may be the same within each share class, the cost to the investor will differ depending on the class of shares selected during the initial and any subsequent deposits into the investment.

Private Client Services offers multiple share class options, and the investor should discuss the available options with their investment professional and review the investment prospectus carefully prior to investing.

The most common share classes used when investing into mutual funds are Class A shares and Class C shares:

Class A Shares: Upon purchase, a front-end sales charge is deducted from the amount invested. Large purchases may be eligible for breakpoints (a volume discount), which reduce the initial sales charge. An investormay be eligible for a breakpoint based on one of the following: a large single purchase; aggregate amounts invested in the same family of funds (Rights of Accumulation); or a promise to purchase additional shares within the next 13 months (Letter of Intent). Class A shares typically have lower ongoing asset-based expensesthan other share classes.

Class C Shares: This share class usually does not assess a front-end sales charge. Class C shares impose a small charge if you sell your shares within a short period of time after purchase, usually one year. Class C shares typically impose asset-based internal expenses, including 12b-1 fees that are typically higher than Class A shares.Class C shares may convert to a different share class after a period of time, generally between 8 and 10 years. The new share class will have different expenses and fees, and should be reviewed with your financial advisor prior to purchasing a Class C mutual fund. Class C shares are generally appropriate for investors who have smaller amounts to invest, or who have a short time horizon. Class C shares are the most expensive class of shares to own for long-term investors.

Purchasing Class C or certain other share classes in amounts of $25,000 or more, may forfeitopportunities to purchase other share classes of the same mutual fund at a lower cost, by utilizing breakpoints(i.e., volume discounts), Rights of Accumulation, a Letter of Intent and may have higher annual expenses thancomparable share class funds. Lower cost shares generally provide better performance over time.

Mutual fund issuing companies may also have additional share classes available with different sales charges and expenses. Investors should review all available share classes with their investment professional and review the prospectus prior to investing.

The Financial Industry Regulatory Authority (FINRA) provides a tool (Fund Analyzer) where investors may compare mutual funds with different share classes and see how the different expenses of the investments compare over time. Your financial professional can assist you with the review of this information. It is highly recommended that when investing greater than $25,000 in any Class C Share mutual fund, with the intent to hold the investment greater than 5 years, that the FINRA Fund Analyzer be reviewed prior to investing.

FINRA Mutual Fund Expense Analyzer Link: https://tools.finra.org/fund_analyzer/

529 Education Savings Plan
Share Class Disclosure

Private Client Services has developed guidelines to assist customers with their decision regarding which share class to purchase within a 529 Education Savings Plan account. These guidelines are directly related to the age of the beneficiary of the account and take into account the following:

- The time the beneficiary will utilize the assets.
- The beneficiary will not change on the account.
- The account will remain with the current custodian (State plan) for the life of the account.

These guidelines should be considered by the owner of a 529 plan when the assets are being used for higher education:

- **A-shares should be purchased in a 529 plan account any time the beneficiary age is less than 11.**

  Class A Shares: Upon purchase, a front-end sales charge is deducted from the amount invested. Large purchases may be eligible for breakpoints (a volume discount), which reduce the initial sales charge. An investor may be eligible for a breakpoint based on one of the following: a large single purchase; aggregate amounts invested in the same family of funds (Rights of Accumulation); or a promise to purchase additional shares within the next 13 months (Letter of Intent). Class A shares typically have lower ongoing asset-based expenses than other share classes.

- **C-shares should be purchased in a 529 plan account any time the beneficiary age is 11 or older.**

  Class C Shares: This share class usually does not assess a front-end sales charge. Class C shares impose a small charge if you sell your shares within a short period of time after purchase, usually one year. Class C shares typically impose asset-based internal expenses, including 12b-1 fees that are typically higher than Class A shares. Class C shares may convert to a different share class after a period of time, generally between 8 and 10 years. The new share class will have different expenses and fees and should be reviewed with your financial advisor prior to purchasing a Class C mutual fund. Class C shares are generally appropriate for investors who have smaller amounts to invest, or who have a short time horizon. Class C shares are the most expensive class of shares to own for long-term investors.

Each customer situation is unique, and it is recommended that a full discussion of the circumstances related to the account be conducted with your Financial Advisor in order to determine the best course of action, and which share class is in the beneficiary's best interest. Some additional considerations may include:

- Will there be a delay in the beneficiary starting higher education?
- Are there guaranteed additional resources available for higher education expenses?
- Will the account be used to fund graduate level education?
- Will the account have a change in beneficiary in the future?
- Rights of accumulation are available for the account based on family assets held in the same fund family.
- Will the account be used to fund Elementary education / Home Schooling, or other educational use for younger beneficiaries? (Subject to State approval of tax benefits)

* College scholarship/grant money is not guaranteed and should not be used as a justification for extending the life of an account.

Variable Annuity Share Class Disclosure

Deferred variable annuities are offered in different share classes. They may vary in their investment requirements, surrender charge schedules, and separate account charges. The most common variable annuity share classes are B share, C share, L share, and Bonus share. In general, the main difference can be understood in terms of the various surrender charge schedules and annuity mortality expense and administration fees. Listed below are the different share classes and some characteristics of each:

Class B Shares:

- The surrender period may range from 5 to 8 years. A surrender charge is applied if a withdrawal exceeds the free annual withdrawal amount within the surrender period.
- The surrender charge initially may range from 6 to 8% of the annuity's value. The surrender charge typically decreases until it reaches zero at the end of the surrender period.
- The mortality expense and administration fees may be Jess than other share classes.

Class C shares:

- They generally do not have a surrender charge.
- The mortality expense and administration fees may be more than B shares and L shares.

Class L shares:

- The surrender period may range from 3 to 5 years. A surrender charge is applied if a withdrawal exceeds the free annual withdrawal amount within the surrender period.
- The surrender charge initially may range from 7 to 8% of the annuity's value. The surrender charge typically decreases until it reaches zero at the end of the surrender period.
- In exchange for the shorter surrender period, the mortality expense and administration fees are normally higher than B shares.

Bonus shares:

- The surrender period may range from 8 to 9 years. A surrender charge is applied if a withdrawal exceeds the free annual withdrawal amount within the surrender period. The surrender charge typically decreases until it reaches zero at the end of the surrender period.
- The mortality expense and administration fees may be more than B shares and L shares. Bonus annuities typically offer an upfront credit based on the amount of the investment. Over time, these higher fees may reduce or eliminate the benefit of the upfront credit.
- Many bonus products may "charge back" or "recapture" all or part of the upfront credit under certain circumstances. These may include death or surrender of the annuity within a specified period of time, or conversion of the annuity into an income stream via annuitization. Please be aware of recapture rules for the particular annuity you are purchasing.

Contract Enhancements (Riders):
Many annuity contracts have enhancement benefits available to the investor. These enhancements are also known as riders. Each rider has a cost associated with it which adds to the overall expense of the contract and must be included in the purchase decision. These additional rider expenses can also have a direct effect on the performance of the contract.

For contracts that include long-term riders, such as guaranteed income riders, and/or guaranteed death benefit riders, it generally is not suitable to purchase an L share or C share contract due to the increased internal expenses associated with those types of contracts.

Other investment considerations:
Variable annuities are generally used for long-term investments and should take into account all expenses incurred by the investor before making a final determination related to which annuity product best fits the needs and objectives of the investor as well as which share class best fits the situation.

All contract objectives, risks, enhanced benefit options, fees, expenses, and other contract information is contained in the product prospectus. The prospectus should be reviewed prior to any investment decision or before sending money. Questions related to any annuity contract should be discussed with your investment professional prior to investing.

State of New York Variable Annuity Compensation Disclosure

The following disclosure is provided pursuant to Section 30.3 of New York Comp. Codes R. & Reg., tit. 11, Pt. 30 (Regulation 194):

Private Client Services has multiple insurance producers licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Equities Stop Orders

The following Stop Price Disclosure is provided for education and notification. Please direct any questions to your Financial Professional.

- Stop prices are not guaranteed execution prices. A “stop order” or “trailing stop order” becomes a “market order” when the “stop price” is reached and firms are required to execute a market order fully and promptly at the current market price. Therefore, the price at which a stop order ultimately is executed may be very different from the investor’s “stop price.” Accordingly, while a customer may receive a prompt execution of a stop order that becomes a market order, during volatile market conditions, the execution may be at a significantly different price from the stop price if the market is moving rapidly.
- Stop or trailing stop orders may be triggered by a short-lived, dramatic price change. Customers should be informed that, during periods of volatile market conditions, the price of a stock can move significantly in a short period of time and trigger an execution of a stop order (and the stock may later resume trading at its prior price level). Investors should understand that if their stop order is triggered under these circumstances, they may sell at an undesirable price even though the price of the stock may stabilize during the same trading day.
- Sell stop or trailing stop orders may exacerbate price declines during times of extreme volatility. The activation of sell stop orders may add downward price pressure on a security. If triggered during a precipitous price decline, a sell stop order also is more likely to result in an execution well below the stop price.
- Placing a “limit price” or “limit offset” on a stop or trailing stop order respectively may help manage some of these risks. A stop order with a “limit price” (a “stop limit” order) or a trailing stop with a limit offset becomes a “limit order” when the stock reaches the “stop price.” A “limit order” is an order to buy or sell a security for an amount no worse than a specific price (i.e., the “limit price”). By using a stop limit order instead of a regular stop order or a trailing stop with a limit offset instead of a regular trailing stop order, a customer will receive additional certainty with respect to the price the customer receives for the stock. However, investors also should be aware that, because brokers cannot sell for a price that is lower (or buy for a price that is higher) than the limit price selected, there is the possibility that the order will not be executed at all. Investors are encouraged to use limit orders in cases where they prioritize achieving a desired target price more than getting an immediate execution irrespective of price.
- Trailing stop orders can be triggered by either a transaction or by a National Best Bid/Offer (NBBO) quotation update, and can trail by dollar value or percentage, depending on which option your financial advisor chooses on an order-by-order basis at the time the order is placed.

Unit Investment Trusts

Suitable investment requires a thorough understanding of the risks involved. Below is the outline related to common risks and practices relevant to an investment in a Unit Investment Trust:

- **Expenses** – Investors may pay a sales charge or load when they purchase units (also known as a "front-end sales load") or a deferred or "back-end" sales charge when units are redeemed. UITs that charge front-end sales loads sometimes offer discounts on the sales load based on the dollar amount or number of units purchased. The UIT discount breakpoints are substantially similar to breakpoint discounts in the sale of mutual fund shares. I (We) still believe the particular investment purchase in my (our) account is a suitable investment for me (us).
- **Legal and Tax Advise** – I (We) recognize that purchases and sales of these products may have tax consequences for me (us). I (We) understand that PCS and its Representative(s) are not allowed to offer legal and tax advice. I (We) may seek advice from my (our) own legal or tax experts.
- **NAV** – A UIT typically issues redeemable securities (or "units"), like a mutual fund, which means that the UIT will buy back an investor's "units," at the investor's request, at their approximate net asset value (or NAV) . Some exchange-traded funds (ETFs) are structured as UITs. Under SEC exemption orders, shares of ETFs are only redeemable in very large blocks (blocks of 50,000 shares, for example) and are traded on a secondary market.
- **Diversification** –UIT investments are generally diversified within the asset classes described in the individual issue. We understand some fixed income UITs may concentrate in bonds of a particular type of issuer and are less diversified. It is subject to greater risk than a more diversified portfolio.
- **Sector Risks** – UITs that invest in narrower sectors are usually more volatile than broad based equity UITs. Also, some of underlying securities of these UITs may have a less liquid market, which may result in substantial loss of investment during periods of unrest.
- **Foreign Securities** – UITs that invest in foreign currency denominated securities may be more volatile investments and may have additional risks such as foreign exchange rates. The political stability may affect the investment market. Foreign securities are under different reporting rules and under different supervisory policies, not like those established in the United States. These UITs may be more volatile than others.
- **Income Securities** – Income securities such as treasuries, municipals, corporate bonds, etc., are usually more volatile during periods of unstable interest rates. Therefore, they are only suitable for long-term investors who will hold these securities until maturity. In addition, income securities may be rated by Bond Rating Agencies. Changes in the rating will result in gain or loss of principal immediately. If any ofthe bonds within UIT are called, the par value of the UIT will drop and the principal will be paid out directly to the unit holder just like a regular bond.
- **Derivatives** – UITs that invest in derivatives such as hedging strategies with option, currency, future contracts, forwards and swaps or shorting in similar securities are more risky than UITs that do not. I (We) recognize the speculative nature of these strategies.
- **Risk** – By investing in UITs specializing in equity or income securities, you are willing to accept higher risk to your principal, including high volatility, seeking higher returns over time and you understand you may lose a substantial amount of the money invested.
- **Past Performance** – UIT performance in the past reflects the past management style and expertise during that period but it does not guarantee future results. Economic and financial circumstances will change the investment returns and principal values. No prediction is promised and no projection will be remotely accurate. UIT investments may or may not be safer than other forms of investing.
- **For the Long Term Objective** – Due to no on-going management style, regulatory requirements and expenses involved, someinvestments are for long term investment. Substantial loss of principal is a reality if surrendered prematurely. I (We) understand that a premature redemption may not meet our initial investment objective. I (We) take full responsibility for our decision on a premature redemption.
- **Risk** – A UIT investment does not have on-going management. Some UITs may not have a secondary market

availability if the UIT is at the end of its life and the price per unit is very low, or if it no longer has an offering price. Units sold prior to maturity may be subject to a gain or loss.

- **Renewal / Series Reinvestment** – UIT investments vary by maturity date and are sold in "series" of investments. Upon maturity of a UIT there may be opportunity to invest into the next "Series" of a UIT with the same investment objectives and risk structure. This new investment may or may not contain the same portfolio holdings as a previous series. The costs and expenses associated with the new investment series are outlined in the prospectus and should be reviewed carefully before investing or sending money.

Please consider the investment objectives, risks, and charges and expenses of the unit investment trust carefully before investing. The prospectus contains this and other information about the unit investment trust. To obtain a prospectus, contact your financialadvisor or visit the company's website. Please read the prospectus carefully before investing. Diversification does not assure a profit or protect against loss.

Additional information about UIT investments may be found by visiting http://www.sec.gov/answers/mfinfo.htm