



SIGMA PLANNING
CORPORATION

A Registered Investment Advisor

Wrap Fee Program Brochure

FORM ADV PART 2A APPENDIX 1 AXIS ADVICE ENGINE WRAP FEE PROGRAM

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This wrap fee program brochure provides information about the qualifications and business practices of SPC. If you have any questions about the contents of this brochure, please contact us at 734-663-1611. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SPC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for SPC is 110692.

SPC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

Annual Update

This section highlights material changes made to this brochure since its last annual update in March 2024. SPC is required to provide you with an annual notice containing a summary of any material updates made to this brochure and instructions on how to obtain an updated copy of this brochure in its entirety. In addition, SPC may offer you additional updates throughout the year as important material changes occur. The items below are material changes made to this brochure since the last annual update:

- The “Services, Fees and Compensation” section was updated to disclose that clients with large unified managed accounts (“UMAs”), meaning UMAs with greater than \$1 million in household assets, have the option of adding Envestnet’s PMC private wealth consulting overlay service to their account for an additional fee. This service offers fully outsourced portfolio design and implementation assistance which includes initial custom case consulting services, ongoing portfolio management responsibilities based on PMC’s asset allocation and investment manager research, and the ability to incorporate client-specific tax and social considerations.
- The “Services, Fees and Compensation” section was updated to provide additional disclosures regarding a client’s decision to elect a default cash sweep program (each, a “Sweep Program”) as the core account investment vehicle, where uninvested cash balances (e.g., from securities transactions, dividends, interest payments, or deposits) in the account are deposited into the selected Sweep Program each business day. These additional disclosures supplement the information currently provided to clients in this brochure and inform clients of the following additional details regarding, and the conflicts of interest associated with, these Sweep Programs:
 - Sigma Financial Corporation (“SFC”) and Parkland Securities, LLC (“Parkland”), which are SPC’s affiliates and the broker-dealers of record on Axis Program accounts, earn significant compensation in connection with uninvested cash balances held in the Sweep Programs, which in turn incentivize SFC and Parkland to designate the Sweep Programs as the default core account investment vehicles over other vehicles that involve less or no compensation for them and pay clients higher rates of interest, resulting in a conflict of interest. Clients should be aware that they are not required to use a Sweep Program as their core account investment vehicle, and that other options are available which pay higher rates of interest on uninvested cash balances.
 - Clients may elect not to use the Sweep Program as their core account investment vehicle. Alternative options include (1) another core account investment vehicle that is still available as a sweep option such as a Fidelity Money Market Sweep Fund, (2) cash equivalent investments (e.g., money market funds) available outside of the sweep context, and (3) not electing a sweep option. SFC and Parkland receive greater amounts of compensation in connection with the balances in the Sweep Program than they do in connection with cash balances held in these alternative options that are available to clients, creating an incentive to designate the Sweep Program as the default core account investment vehicle over other options. In addition, like the Sweep Program, these alternatives that are available to clients also offer capital preservation but generally offer a higher rate of return and are thus a more appropriate place to invest significant cash balances for an extended period. When clients select one of these alternative options, they are not eligible for the Federal Deposit Insurance Corporation (“FDIC”) insurance that they would otherwise be eligible to receive in connection with balances held in the Sweep Program. Instead, balances held in these alternative options will receive the benefit of any available SIPC insurance, up to applicable limits.
 - The compensation and benefits that SFC and Parkland receive as a result of clients’ use of a Sweep Program represent a significant and important source of revenue for such firms, and are determined by such firms based on the selection of one of several interest schedules made available by the Custodian. The compensation that SFC and Parkland receive from the Sweep Program is not

determined by SPC, reduces the interest rate the clients receive on cash balances, and is in addition to the advisory fees that clients pay to SPC. This means that SPC and its broker-dealer affiliates collectively earn two layers of fees on the same cash balances in a client's account. This creates a conflict of interest, as SPC and its broker-dealer affiliates collectively earn more from Sweep Program balances in Axis Program accounts than they would if such balances were held outside of the Sweep Program, creating an economic incentive for SPC and its affiliates to retain Axis Program account assets in cash in the Sweep Program.

- With respect to Sweep Account balances held in Axis Program accounts, SFC and Parkland are compensated through their receipt of fees from the interest rates paid by participating banks in connection with interest-bearing FDIC insurance eligible deposit accounts ("Deposit Accounts"). This creates a conflict of interest, as any increase in the fees SFC and Parkland receive will decrease the interest that clients will receive in connection with the Deposit Accounts. It is expected that the vast majority of the all-in funding rates paid by the banks will be paid to SFC and Parkland, the Custodian, and the designated administrator (the "Administrator"). Accordingly, the interest rate clients receive on Sweep Program deposits will be lower than the all-in funding rates paid by the banks under this program and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC-insured, such as money market mutual funds; and (ii) bank deposits offered outside of the Sweep Program. In some scenarios with low interest rates, the fees received by SFC, Parkland, the Custodian, and the Administrator can exceed the amount of interest received by clients on Sweep Program deposits.
- Any deposits (including certificates of deposit) that clients maintain in the same insurable capacity directly with a bank participating in the Sweep Program or indirectly through SFC or Parkland or another intermediary, regardless of the number of accounts, are aggregated by the FDIC for purposes of the applicable insurance limits. It is, therefore, important for clients to monitor the total amount of deposits that they have with each bank in the Sweep Program to determine the extent of FDIC insurance coverage available to them. Neither SPC nor any of its broker-dealer or other affiliates take responsibility for knowing clients' cash balances outside of their Axis Program account or where those funds are deposited.
- The "Services, Fees and Compensation" section was updated to disclose that SPC amended its pricing arrangement with the Custodian in August 2024. The following disclosures were added to supplement the information provided to clients and inform them of the following additional details regarding, and the conflicts of interest associated with, the amending pricing arrangement with the Custodian:
 - The Custodian Fee component of the Client Fee is remitted to SPC by Envestnet Asset Management, Inc., an unaffiliated investment adviser that, among other things, directs or provides the technology for the investment, reinvestment, and periodic rebalancing of investments in clients' accounts. In addition, the Custodian assesses each of SFC and Parkland, as the introducing broker-dealers for client assets in Axis Program accounts, a minimum asset-based charge calculated as a percentage of the value of assets in clients' Axis Program accounts. This asset-based charge begins at 2.8 basis points (0.028%) and decreases at predetermined intervals when the total aggregate value of clients' Axis Program assets assigned to the broker-dealer increases beyond specific thresholds. The minimum asset-based charge possible is 2.3 basis points (0.023%) and takes effect when aggregate Axis Program assets assigned to the broker-dealer exceed \$4.5 billion. In addition, the Custodian charges a per-trade fee of \$4.95 for trades in a client's account in excess of certain annual trading thresholds. SPC's broker-dealer affiliates negotiated a lower asset-based charge in lieu of receiving credits and other economic support from the Custodian.
 - SFC and Parkland pass along this asset-based Custodian charge (and any trading fees) to SPC. In turn, SPC passes along (i.e., recoups) the Custodian's charge by means of the Custodian Fee that is assessed to each client account based on the total account AUM. SPC retains as revenue the spread between the Custodian Fee of five basis points (0.05%) and the Custodian's assessed fee, which is a

lower amount. This creates a conflict of interest, as SPC can realize greater net revenue from Axis Program accounts through the combination of this spread and the Sponsor Fee than SPC can earn from the program fee of its non-wrap SIGMA Managed Accounts, except when such SIGMA Managed Accounts hold a higher proportion of "non-chargeable assets." Consequently, SPC's overall compensation will increase as the amount of client assets in Axis Program accounts increases. This creates a conflict of interest, as SPC has a financial incentive to recommend Axis Program accounts over other accounts in order to reach the asset thresholds at which the Custodian's asset-based fees are reduced, thereby increasing SPC's compensation through retention of a greater proportion of the Custodian Fee after offsetting the Custodian's asset-based fee.

- In addition, SPC has a financial incentive to maintain its relationship with the Custodian so SPC can continue charging the Custodian Fee while retaining as revenue the spread between the Custodian Fee of five basis points (0.05%) and the Custodian's assessed fee, which is a lower amount. Finally, SPC has a financial incentive to maintain its relationship with the Custodian in case the Custodian's assessed fee decreases in the future due to SPC achieving the aggregate client asset thresholds at which the Custodian's asset-based fees are reduced, as SPC's revenue will thereby increase.
- The "Services, Fees and Compensation" section was updated to disclose an additional miscellaneous fee markup of \$3 for quarterly paper account statements. This does not apply to the electronic delivery of account statements.
- The "Additional Information" section was expanded to disclose that investment adviser representatives ("IARs") can receive reimbursements from (or have expenses covered by) third-party investment advisers ("TPIAs") in connection with the following: (1) website design, email marketing, video marketing, social media marketing, and client newsletters; and (2) obtaining CRM software, account aggregation software, and financial planning software, including computerized financial technology tools related to portfolio analysis, portfolio management, investment research, risk tolerance analysis, and plan fiduciary analysis. Such reimbursement constitutes an additional form of non-cash compensation and presents a conflict of interest, as IARs have a financial incentive to recommend to clients those TPIAs which provide higher levels of expense reimbursement over those which do not.

The most recent copy of this brochure can be requested at any time by calling SPC at (888) 744-6264 or online at www.spc4clients.com. SPC strongly encourages clients to review this important brochure in its entirety.

Item 3. Table of Contents

Item 3. Table of Contents	5
Item 4. Services, Fees and Compensation	6
Item 5. Account Requirements and Types of Clients	31
Item 6. Portfolio Manager Selection and Evaluation.....	31
Item 7. Client Information Provided to Portfolio Managers	35
Item 8. Client Contact with Portfolio Managers	35
Item 9. Additional Information	35

Item 4. Services, Fees and Compensation

Description of Firm

Sigma Planning Corporation ("SPC") is registered with the United States Securities and Exchange Commission (the "SEC") as an investment adviser. SPC is a corporation formed under Michigan law in 1983. SPC is also under common ownership and control with Sigma Financial Corporation ("SFC") and Parkland Securities, LLC ("Parkland"). SFC and Parkland are independent broker-dealer firms that are each a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") as well as the Securities Investor Protection Corporation ("SIPC"). Moreover, SFC and Parkland are both registered as insurance agencies with various state insurance regulators. The Jerome S. Rydell Revocable Living Trust dated 12/21/1998, as amended and restated on 10/23/2020 (the "Trust"), owns all controlling (i.e., voting) equity interests in SPC, SFC, and Parkland. Jerome S. Rydell is the trustee of the Trust as well as the Chief Executive Officer of SPC, SFC, and Parkland.

As used in this brochure, SPC's "associated persons" are SPC's officers, employees, and all individuals providing investment advice on behalf of SPC ("Associated Persons"). Additionally, Associated Persons who provide investment advice or services to SPC's clients are referred to as "investment adviser representatives" ("IARs") throughout this brochure. Finally, as used in this brochure, the words "we," "our," "our firm," and "us" refer to SPC and/or the IARs who are assisting you, as the context requires, and the words "you," "your," and "client" refer to you, as the context requires, as either a client or prospective client of SPC. In the case of retirement plans, "you," "your," and "client" (and related terms) refer to the retirement plan, the sponsor of such plan and/or the named fiduciary of such plan, as the context or situation requires.

Most but not all of our IARs are registered representatives of SFC or Parkland, which are affiliated broker-dealers. Those IARs who are also registered representatives can offer securities and brokerage services in their capacities as registered representatives of SFC or Parkland. All of our IARs provide investment advisory services in their capacities as IARs of SPC. In the event your IAR deals with you in his or her brokerage capacity, he or she will notify you orally or in writing at or before the time he or she does so. As a result, when providing portfolio management services, these IARs will be limited to the investments approved by SFC and Parkland.

Please note that this brochure is not intended for non-wrap accounts. For information regarding the services we offer to clients with non-wrap accounts, as well as how we manage non-wrap accounts, please consult SPC's Form ADV Part 2A brochure, a copy of which is available online (www.spc4clients.com) or by contacting SPC using the information provided on the cover page of this brochure.

Services and Wrap Fee Program

We offer portfolio management services to prospective and existing clients, as described in this brochure, through our wrap fee program known as the Axis Advice Engine Platform (the "Platform"). We are the sponsor and investment adviser for the Platform.

As defined by Rule 204-3(g)(5) under the Investment Advisers Act of 1940, as amended (the "Act"), a wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Wrap fee programs differ from other programs in that the fee structure for wrap fee programs is all-inclusive, whereas non-wrap fee programs assess trade execution costs that are in addition to investment advisory fees. If you participate in our wrap fee program, you will receive asset management services and pay a single bundled fee that covers the account management fee, any transaction costs from trading, and custodial and administrative costs. Because you pay a bundled wrap fee, you will not be charged separate fees for the respective components of the total asset management services provided.

We receive a portion of the total wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher than the cost you would incur by separately purchasing the types of investments available through the Platform. There is no guarantee that the advisory services offered under the Platform will result in your goals and objectives being met, nor is there any guarantee that you will realize a profit or be protected against loss. No assumption can or should be made that an advisory fee arrangement or portfolio

management service of any kind will provide a better return than other investment vehicles.

Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, risk tolerance, and investment time horizon, among other considerations. The benefits under a wrap fee program depend, in part, upon the size of the account and the number of transactions likely to be generated therein. For accounts with little to no trading activity, a wrap fee program may not be suitable because the wrap account fees could be higher than fees in a traditional brokerage or advisory account. You should evaluate the total cost for a wrap fee account as compared against the cost of participating in another program or account.

Prior to opening an account with us, you will be required to enter into a separate written agreement with SPC that sets forth the terms and conditions of the engagement between you and us and describes the scope of the services to be provided by us as well as the fees you will pay. Prior to opening an account, you will also have the option, with assistance from your IAR, of completing a risk tolerance questionnaire that analyzes your risk tolerance, investment time horizon, investment goals and objectives, and financial situation. This information, along with consideration of your financial situation, investment objectives, risk tolerance, assets, income, investments, and overall financial profile, will be used by your IAR to provide a tailored recommendation of one or more Axis Programs (as defined below) and investment strategies to you. The recommendation you select will be documented in a Statement of Investment Selection ("SIS") that you should carefully review and will be required to sign. If your financial situation, goals, objectives, or needs change, it is important that you inform your IAR as soon as possible.

Investnet

Through an enterprise-wide agreement with SPC, Investnet Asset Management, Inc. ("Investnet"), an independent investment adviser that is unaffiliated with SPC, acts as a co-sponsor and investment adviser for certain of the Axis Programs (as defined below). In this capacity, Investnet provides the following services to you and your IAR, as applicable:

- For all Axis Programs, Investnet provides technology tools to assist you and your IAR with the selection of investment models and generation of an SIS and other related documents. Investnet also directs or provides the technology for the investment, reinvestment, and periodic rebalancing of investments in your account.
- For certain Axis Programs (FSP, SMA, and UMA), Investnet acts as a co-sponsor and investment adviser and provides overlay management services to coordinate trading activity and rebalancing.
- Investnet provides optional tax overlay services for FSP accounts and UMAs (defined below), and optional impact overlay services and PMC private wealth consulting services for UMAs.

Please refer to Investnet's Form ADV Part 2A brochure for more information about Investnet.

National Financial Services LLC

SPC has selected National Financial Services LLC, a wholly-owned subsidiary of Fidelity Investments, as the custodian and clearing firm (the "Custodian") for client assets in Axis Program accounts (as defined below). Either SFC or Parkland will serve as the introducing broker-dealer for client assets in Axis Program accounts. In other words, one of SPC's affiliated broker-dealers will be listed as the introducing broker-dealer of record on all Axis Program accounts. The Custodian provides SPC and its IARs with custodial services as well as other services and benefits in order to help us conduct our business and serve many types of clients. SPC does not have custody of client funds or securities, except to the limited extent that SPC can automatically deduct its advisory fees from client accounts. SPC also possesses the ability to effect certain bank wire transfers to a client's same-registration account outside the Custodian upon receipt of direct written instructions from the client. SPC is independently owned and operated and is not affiliated with the Custodian. SFC and Parkland also utilize the Custodian's clearing and custody services for their customers' brokerage accounts.

Axis Advice Engine Platform

We have developed the Platform, which consists of the different advisory services and programs listed below (each, an "Axis Program," and collectively, the "Axis Programs"), to give you as much flexibility as possible with your investments and account assets. The specific Axis Program that you select may cost more or less than you would pay to purchase program services separately. Factors that bear upon the cost of a particular Axis Program in relation to the cost of the same services purchased separately include, but may not be limited to, the type and size of the account, the historical and/or expected size of the account, the expected trading volume in the account, and the number and range of supplementary advisory and client-related services provided to the account.

Our four available Axis Program options include the Advisor as Portfolio Manager program ("APM"), Fund Strategist Portfolio program ("FSP"), Separately Managed Account program ("SMA"), and Unified Managed Account program ("UMA"). Each of these Axis Programs is described below in more detail.

Depending on the particular Axis Program you select, your account will be managed by your IAR on a discretionary basis, will be managed by a third-party money manager (a "Manager") on a discretionary basis and/or will utilize investment model portfolios created by registered investment advisers and unrelated third-party money managers (each, a "Strategist"), in accordance with the investment methodology and philosophy of your IAR, the Manager, or the Strategist, as applicable.

Advisor as Portfolio Manager Program (APM)

Description

In an APM account, your IAR will manage the investments in your account on a discretionary basis, which means that SPC and your IAR can make allocation changes and trades in your account without your prior approval. You and your IAR will work together to determine a tailored investment strategy that best fits your needs for active account management, however your IAR must obtain your authorization prior to increasing the risk tolerance of your account profile. APM accounts can provide you with access to a wide selection of investments that empower your IAR to construct a portfolio and implement a strategy using these investments in order to meet your financial needs. Your IAR is responsible for the creation, implementation, and ongoing management of this investment strategy and for rebalancing your portfolio. Envestnet does not provide advisory services or act as co-sponsor for this Axis Program.

Account Minimum

The minimum investment for an APM account is \$10,000.

Transaction Fees

In an APM account, transaction fees are included in the Client Fee you pay. The Client Fee includes the costs of brokerage commissions for transactions executed through the Custodian and charges related to the settlement and clearance of securities in your account. The Client Fee is discussed below in more detail.

The Client Fee does not include other fees that account custodians are customarily permitted to charge clients, including, but not limited to, account opening, maintenance, transfer, termination, wire transfer, electronic fund, retirement plan, 990-T reporting, and applicable third-party fees. The Client Fee also does not include other fees that may be incurred due to the securities in question and/or a specific transaction, including, but not limited to, markups and mark-downs, dealer spreads, deferred sales charges, odd-lot differentials, transfer taxes, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, other fees and taxes on brokerage, other fees required by law or imposed by third parties, and special fees for alternative investments or qualified accounts. Your account will be assessed these additional fees and expenses. A Brokerage Fee Schedule detailing certain additional expenses is available on the SPC website (www.spc4clients.com) and can also be obtained from your IAR.

Some of these additional costs and expenses include a profit to our affiliated broker-dealers in the form of a fee markup. The additional compensation our affiliated broker-dealers receive represents a conflict of interest

because the affiliated broker-dealers receive a financial benefit when they provide services in connection with acting as the introducing broker-dealer of record for your account. This compensation, however, is retained by the affiliated broker-dealer and is not shared with SPC or your IAR, and therefore SPC and your IAR have no financial incentive to recommend certain transactions over others in order to receive fee markups. A detailed discussion of the compensation received by our affiliated broker-dealers, and the related conflicts of interest and how they are addressed, is provided below in this brochure under the heading "Affiliated Broker-Dealer Compensation."

Margin

Margin involves borrowing money for the purpose of purchasing securities, in which case the securities serve as collateral on the loan. The interest charge for borrowing and investing with a margin loan is in addition to the Client Fee (discussed below). If you decide to use margin in your APM account, please carefully consider the following:

- If you do not have available cash in your account, you are borrowing money to purchase securities. In the event of a margin credit extension, the costs you incur will generally increase as the size of the outstanding margin balance increases.
- You are using the securities that you own as collateral, which means the Custodian can sell the securities to pay off the margin loan, possibly with negative tax consequences.
- The money you borrow is charged an interest rate that is subject to change over time.

If you elect to use margin, please carefully review the margin disclosure document that you will receive to understand the additional risks involved in margin investing. The impact that margin could have on the fees you pay is described below, along with our conflicts of interest related to the use of margin.

Securities-Backed Lines of Credit

With respect to Axis Programs, securities-backed lines of credit ("SBLOCs") are only available in APM accounts. As the SEC explains,¹ SBLOCs, also referred to as non-purpose loans ("NPLs"), are revolving lines of credit that allow clients to borrow money using securities held in their investment accounts as collateral. SBLOCs are NPLs, which means the proceeds may *not* be used to purchase or trade securities. Clients can continue to trade and buy and sell securities in their pledged accounts. An SBLOC requires the borrower to make monthly interest-only payments, and the loan remains outstanding until repaid. Clients typically have the option to repay some (or all) of the outstanding principal at any time, then borrow again later. The contract specifies the maximum amount clients are permitted to borrow, and they must agree to use their investment account assets as collateral. If the value of the borrower's securities declines to an amount where it is no longer sufficient to support the line of credit, the borrower will receive a "maintenance call" notification that they must post additional collateral or repay the loan within a specified period (typically two or three days). If the borrower is unable to add additional collateral to the account or repay the loan with readily available cash, the firm can liquidate securities and keep the cash to satisfy the maintenance call.

SBLOCs are just one type of securities-based lending offered to clients. Other types include margin and stock-based loan programs. The fact that you might be eligible for an SBLOC does not mean taking a loan is necessarily a wise or prudent idea. SPC makes SBLOCs available solely as a convenience to clients. Neither SPC nor any of its IARs receive any compensation whenever a client decides to borrow money through an SBLOC.

Although neither SPC nor your IAR receives compensation in connection with SBLOCs, they do have an incentive to recommend that you use an SBLOC for liquidity purposes rather than liquidating your holdings or using other sources of liquidity. SPC and your IAR will benefit from your SBLOC because you do not have to liquidate assets in your account to pay for things with cash, which would diminish the assets held in the account and the potential fees that could be earned by SPC and your IAR from holding or engaging in future transactions with those assets. For example, by encouraging investors to take out an SBLOC to fund a purchase or financial need rather than

¹ <https://www.sec.gov/oiea/investor-alerts-bulletins/sbloc.html>

liquidate securities or withdraw cash from their accounts, SPC and your IAR will continue to earn fees on the full account value.

Fund Strategist Portfolio (FSP)

Description

FSPs are asset allocated model portfolios created by Strategists consisting primarily of mutual funds and exchange-traded funds ("ETFs"); however, equities, fixed income products, and other exchange-traded products ("ETPs") are also available. FSPs can be used as core model portfolios or as a complement or satellite solution. FSPs typically are segmented according to risk, with asset allocation strategies that extend from capital preservation to aggressive growth. FSPs are designed, managed, traded, and maintained by a Strategist and not by SPC or your IAR.

FSP accounts are discretionary, and Envestnet will make allocation changes or trades in your account, without your prior approval, based on the Strategist's model portfolio. You and your IAR will initially select an investment strategy for your account, however your IAR must obtain your authorization prior to increasing the risk tolerance of your account profile. Each model portfolio consists of a set number of asset classes as determined by the model provider. For some asset classes, the allocation range within a particular model may be as low as zero. Each model provider independently selects and/or removes the mutual funds, ETFs, ETPs, and other securities available within each asset class, and may change the asset allocation range of a particular model from time to time in the model provider's sole discretion. Your IAR will identify a final allocation appropriate for your account and will recommend an overall investment portfolio consistent with your risk profile.

Account Minimum

SPC's minimum investment for an FSP account is \$10,000. However, Strategists may have different account minimums that exceed and take priority over our minimum.

Transaction Fees

In an FSP account, transaction fees are included in the Client Fee you pay. The Client Fee includes the costs of brokerage commissions for transactions executed through the Custodian and charges related to the settlement and clearance of securities in your account. The Client Fee is discussed below in more detail.

The Client Fee does not include other fees that account custodians are customarily permitted to charge clients, including, but not limited to, account opening, maintenance, transfer, termination, wire transfer, electronic fund, retirement plan, 990-T reporting, and applicable third-party fees. The Client Fee also does not include other fees that may be incurred due to the securities in question and/or a specific transaction, including, but not limited to, markups and mark-downs, dealer spreads, deferred sales charges, odd-lot differentials, transfer taxes, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, other fees and taxes on brokerage, other fees required by law or imposed by third parties, and special fees for alternative investments or qualified accounts. Your account will be assessed these additional fees and expenses. A Brokerage Fee Schedule detailing certain additional expenses is available on the SPC website (www.spc4clients.com) and can also be obtained from your IAR.

Some of these additional costs and expenses include a profit to our affiliated broker-dealers in the form of a fee markup. The additional compensation our affiliated broker-dealers receive represents a conflict of interest because the affiliated broker-dealers receive a financial benefit when they provide services in connection with acting as the introducing broker-dealer of record for your account. This compensation, however, is retained by the affiliated broker-dealer and is not shared with SPC or your IAR, and therefore SPC and your IAR have no financial incentive to recommend certain transactions over others in order to receive fee markups. A detailed discussion of the compensation received by our affiliated broker-dealers, and the related conflicts of interest and how they are addressed, is provided below in this brochure under the heading "Affiliated Broker-Dealer Compensation."

Tax Overlay Service

You have the option of electing to add Envestnet's tax overlay service to your FSP account. Using customizable parameters, this service seeks to control or customize the timing for realizing unrealized gains or losses embedded in a taxable FSP account. Employing this service has the ability to limit the available universe of investments for your account, which could impact your account performance either positively or negatively. The additional fee for this service is described below.

Separately Managed Account (SMA)

Description

An SMA is a portfolio managed by a Manager that provides market exposure through direct ownership of individual securities. SPC is not affiliated with any Managers.

An SMA allows you and your IAR to select a Manager to manage your account. SMAs are discretionary, which means that the Manager and/or Envestnet will make allocation changes or trades in your account without your prior approval. Managers generally focus on a specific asset class or sector and typically invest in individual stocks or bonds, but Managers can also utilize a variety of securities such as ETPs or mutual funds. You and your IAR will initially choose one of the available Managers, however your IAR must obtain your authorization prior to increasing the risk tolerance of your account profile. By completing our account opening documentation, you authorize Envestnet and the Manager to act as your agent and attorney-in-fact to direct the investment and reinvestment of the assets in your SMA. The selected Manager has full discretionary trading authority to place orders for the purchase and sale of securities in your SMA.

Account Minimum

SPC's minimum investment for an SMA is \$100,000. However, Managers may have different account minimums that exceed and take priority over our minimum.

Transaction Fees

In an SMA, transaction fees are included in the Client Fee you pay. The Client Fee includes the costs of brokerage commissions for transactions executed through the Custodian and charges related to the settlement and clearance of securities in your account. The Client Fee is discussed below in more detail.

The Client Fee does not include other fees that account custodians are customarily permitted to charge clients, including, but not limited to, account opening, maintenance, transfer, termination, wire transfer, electronic fund, retirement plan, 990-T reporting, and applicable third-party fees. The Client Fee also does not include other fees that may be incurred due to the securities in question and/or a specific transaction, including, but not limited to, markups and mark-downs, dealer spreads, deferred sales charges, odd-lot differentials, transfer taxes, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, other fees and taxes on brokerage, other fees required by law or imposed by third parties, and special fees for alternative investments or qualified accounts. Your account will be assessed these additional fees and expenses. A Brokerage Fee Schedule detailing certain additional expenses is available on the SPC website (www.spc4clients.com) and can also be obtained from your IAR.

Some of these additional costs and expenses include a profit to our affiliated broker-dealers in the form of a fee markup. The additional compensation our affiliated broker-dealers receive represents a conflict of interest because the affiliated broker-dealers receive a financial benefit when they provide services in connection with acting as the introducing broker-dealer of record for your account. This compensation, however, is retained by the affiliated broker-dealer and is not shared with SPC or your IAR, and therefore SPC and your IAR have no financial incentive to recommend certain transactions over others in order to receive fee markups. A detailed discussion of the compensation received by our affiliated broker-dealers, and the related conflicts of interest and how they are addressed, is provided below in this brochure under the heading "Affiliated Broker-Dealer Compensation."

Unified Managed Account (UMA)

Description

UMAs can include a variety of fully liquid investments, such as mutual funds, ETFs, and stocks. UMA models can be composed using IAR-directed portfolios, FSPs, and SMAs. Each separate component of the account is referred to as a "sleeve." UMAs are discretionary, which means that Envestnet may make allocation changes or initiate trades in your account without your prior approval. Specifically, the IAR will construct the model and make the sleeve selections on behalf of the client, however Envestnet is responsible for trading the portfolio.

Your IAR will recommend a customized investment strategy using one or more sleeves, however your IAR must obtain your authorization prior to increasing the risk tolerance of your account profile. Sleeves can be assigned to Managers or Strategists, models created by Strategists and/or models created by your IAR (from a selection of mutual funds, equities, and ETFs). The ability to include more than one sleeve in the same UMA expands the ability to properly diversify your investments and enhances your ability to monitor the performance of your assets with both account-level and investment model-level performance reporting. In certain circumstances, certain products may not be combined in the same account. You and your IAR will initially agree on an allocation for your UMA. Overlay management is provided by Envestnet to coordinate trading activities, rebalancing, and overlay services.

Account Minimum

The minimum investment for a UMA is \$10,000. However, Strategists and Managers may have different account minimums that exceed and take priority over our minimum.

Transaction Fees

In a UMA, transaction fees are included in the Client Fee you pay. The Client Fee includes the costs of brokerage commissions for transactions executed through the Custodian and charges related to the settlement and clearance of securities in your account. The Client Fee is discussed below in more detail.

The Client Fee does not include other fees that account custodians are customarily permitted to charge clients, including, but not limited to, account opening, maintenance, transfer, termination, wire transfer, electronic fund, retirement plan, 990-T reporting, and applicable third-party fees. The Client Fee also does not include other fees that may be incurred due to the securities in question and/or a specific transaction, including, but not limited to, markups and mark-downs, dealer spreads, deferred sales charges, odd-lot differentials, transfer taxes, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, other fees and taxes on brokerage, other fees required by law or imposed by third parties, and special fees for alternative investments or qualified accounts. Your account will be assessed these additional fees and expenses. A Brokerage Fee Schedule detailing certain additional expenses is available on the SPC website (www.spc4clients.com) and can also be obtained from your IAR.

Some of these additional costs and expenses include a profit to our affiliated broker-dealers in the form of a fee markup. The additional compensation our affiliated broker-dealers receive represents a conflict of interest because the affiliated broker-dealers receive a financial benefit when they provide services in connection with acting as the introducing broker-dealer of record for your account. This compensation, however, is retained by the affiliated broker-dealer and is not shared with SPC or your IAR, and therefore SPC and your IAR have no financial incentive to recommend certain transactions over others in order to receive fee markups. A detailed discussion of the compensation received by our affiliated broker-dealers, and the related conflicts of interest and how they are addressed, is provided below in this brochure under the heading "Affiliated Broker-Dealer Compensation."

Tax Overlay Service

You have the option of electing to add Envestnet's tax overlay service to your UMA. Using customizable parameters, this service seeks to control or customize the timing for realizing unrealized gains or losses embedded in a taxable UMA. Employing this service has the ability to limit the available universe of investments for your

account, which could impact your account performance either positively or negatively. The additional fee for this service is described below.

Impact Overlay Service

You have the option of electing to add Investnet's impact overlay service to your UMA. This service is designed to restrict the purchase of investments in companies associated with certain industries that do not align with your personal values and beliefs by using a socially responsible investing screen. Employing this service has the ability to limit the available universe of investments for your account, which could impact your account performance either positively or negatively. The additional fee for this service is described below.

PMC Private Wealth Consulting Service

Clients with large UMAs (i.e., greater than \$1 million in household assets) have the option of electing to add Investnet's PMC private wealth consulting overlay service to their account. This service offers fully outsourced portfolio design and implementation assistance which includes initial custom case consulting services, ongoing portfolio management responsibilities based on PMC's asset allocation and investment manager research, and the ability to incorporate client-specific tax and social considerations. The additional fee for this service is described below.

Changes in Circumstances

It is important to understand that both the Axis Program you select, and your account allocation, may cease to be suitable for you based on certain changes in your financial situation, investment objectives, risk tolerance, or investment time horizon. In the event of any such changes, you should promptly contact your IAR in order to discuss the continued suitability of the Axis Program and your account allocation.

Discretionary Management

The Axis Programs are designed and intended to be managed on a discretionary basis. Discretionary authority means a person other than you can determine the specific securities, as well as the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. By completing the account opening documentation, including our client services agreement, you authorize SPC, your IAR, Investnet and/or the Manager, as applicable, to have discretionary authority over your Axis Program account. For Axis Program accounts other than APM accounts, Investnet (or the Manager or Strategist, as applicable) will have full discretion to place orders for the purchase and sale of securities in your account and to rebalance your account.

Types of Investments

We recommend a variety of investments and we do not primarily recommend or utilize one specific type of investment over another because each client has his, her, or its own investment objectives, risk tolerance, needs, and goals. By way of example, we may recommend investments in mutual funds, including index funds; individual securities; ETFs and ETPs; money market funds; certificates of deposit; commercial paper; U.S. Government debt securities, municipal bonds, and other fixed-income securities; securities options; and alternative investments.

In limited circumstances and for APM accounts, you may request reasonable restrictions on the management of your account by submitting a Position Exclusion Form to exclude certain positions in your account from management. For example, a reasonable restriction may indicate your desire that we do not sell a legacy position or a highly appreciated position to avoid triggering a substantial taxable gain. Your IAR will also proactively reaffirm with you any modifications you may have to these restrictions at least on an annual basis during your client review meeting. However, we and your IAR reserve the right, in our sole discretion, to refuse to accept such restrictions or manage your account if we determine that such restrictions are unreasonable or impractical. SPC also reserves the right, in its sole discretion, not to honor a submitted Position Exclusion Form that does not align with the form's intended purpose, and in the event that we or your IAR are unable to accept your restrictions, you will be given the opportunity to modify or withdraw the restrictions.

Trade Confirmations, Statements, and Performance Reports

For the APM Axis Program, you will receive trade confirmations from the Custodian for each securities transaction in your account, unless otherwise agreed to in writing between you and SPC. The Custodian will also make copies

of such confirmations available to SPC. Additionally, the Custodian will forward account statements to you for each month in which activity occurs in your account, or in the absence of any activity, on a quarterly basis, and the Custodian will also make copies of such account statements available to SPC.

For the FSP, SMA, and UMA Axis Programs, you will not receive a separate confirmation for each transaction in your account. In lieu of separate trade confirmations, you will receive bundled confirmations on a quarterly basis in connection with the trading activity that takes place each quarter. Additionally, information about account activity will be reported at least quarterly via the account statement provided to you by the Custodian. Upon request to SPC, you can obtain, at no additional charge, information regarding any confirmation for your account and an electronic copy of any confirmation.

For all Axis Programs, you will also have access to quarterly information reports analyzing the performance of your account ("quarterly reports"). These quarterly reports track the performance of your account, including against risk-based comparative indices or benchmarks, in order to assist you, SPC, and your IAR in the ongoing evaluation of your account. Upon request, clients can have a customized benchmark included in their quarterly reports or opt out of having a comparative index or benchmark included in their quarterly reports. Quarterly reports will be made available to you exclusively on an electronic basis. SPC relies upon third-party custodians and vendors to provide pricing and valuation data for the purpose of generating quarterly reports, and SPC does not verify the values and prices provided by these third parties. Reasonable efforts are made to obtain data which SPC believes is accurate, and consequently quarterly reports are provided for informational purposes only. Any quarterly reports provided by SPC should be compared against the account statements provided by the Custodian, and if discrepancies exist, the official statements presented by the Custodian (and not the quarterly report) should be deemed correct.

Fees and Compensation

SPC, its affiliated broker-dealers, and your IAR are compensated in a variety of ways. We want to ensure that you understand how SPC, its affiliated broker-dealers, and your IAR are compensated as well as the other costs associated with your account. What follows is an overview of the fees and costs associated with your account.

Client Fee

Clients who elect to receive asset management services through our Platform will first enter into a client services agreement with SPC. In return for these services, clients agree to pay an ongoing annual account management fee. The total asset-based wrap fee that you will pay (the "Client Fee") to participate in an Axis Program is disclosed in the SIS. Additional fees and expenses not included in the Client Fee are described below. The Client Fee consists of and includes the following asset-based component fees:

- Advisor Fee. Your IAR will receive a portion of the Client Fee in return for the services that your IAR provides to you, including any portfolio management services. You can negotiate this amount with your IAR. The Advisor Fee represents your IAR's gross compensation before application of SPC's payout grid (described below). Please see below for additional information regarding the Advisor Fee.
- Custodian Fee. The Custodian will receive a fee as compensation for its custodial and other services. The Custodian Fee is currently a flat fee equal to five basis points (0.05%). Please see below for additional information regarding the Custodian Fee.
- Sponsor Fee. A portion of the Client Fee is retained by SPC to cover SPC's costs of sponsoring, maintaining, and operating the Platform as well as providing you with administrative services related to your account. The Sponsor Fee is currently a flat fee equal to eight basis points (0.08%). Please see below for additional information regarding the Sponsor Fee.
- Investnet Fee. Investnet will receive a fee in connection with acting as the overlay manager for the Platform as well as additional compensation for curating a selection of Managers and Strategists' model portfolios for the Platform. Please see below for additional information regarding the Investnet Fee.
- Sub-Manager Fee. For the FSP, SMA, and UMA Axis Programs, a portion of the Client Fee is retained by Investnet for the sub-advisory services provided by the selected Manager or Strategist according to the

then current schedule for such sub-advisory services as established by Envestnet. This fee is disclosed on the SIS. The range of fees typically charged by Manager or Strategist in these Axis Programs is as follows:

Axis Program	Manager/Strategist Typical Fee Range
FSP	0.06% – 0.40%
SMA	0.06% – 0.80%
UMA	0.00% – 0.80%

The Client Fee (and each of its components) is calculated as a percentage of assets under management (“AUM”) in your account (“account AUM”). The term “account AUM” means the current value (i.e., account balance) of all assets in your account, including cash. Additionally, for purposes of calculating fees for accounts that hold short positions, “account AUM” includes the absolute value of all positions (i.e., short positions are not excluded from billing). Envestnet and the Custodian, as applicable, will determine the value of your account in accordance with their normal practices and procedures, and such determination will be binding on you.

Any account positions that have been expressly excluded from management through our acceptance of a Position Exclusion Form, along with account positions that SPC's compliance personnel have deemed to be excluded from account management, will not be assessed an Advisor Fee. The effect of excluding these positions from the Advisor Fee assessment will be to reduce your IAR's overall compensation relative to the account. Consequently, a conflict of interest arises as a result of your IAR's incentive not to exclude any of your account positions from management in order to maximize his or her compensation.

The Client Fee will vary depending on the Axis Program you select and the fee you negotiate with your IAR. The specific fees associated with each Axis Program are described below, followed by other important information regarding fees, account billing, and other expenses.

Advisor as Portfolio Manager Program (APM)

The minimum Client Fee to be charged will be \$25 per account, per year. The annual fee payable to your IAR for your account (i.e., the Advisor Fee) will be listed in the “Fees” section of the SIS. The maximum Advisor Fee that may be charged by your IAR is 2.35%. The maximum Client Fee you could pay for an APM account is 2.50%. For a more detailed breakdown of the Client Fee you will pay, please refer to your SIS.

The minimum account size for the APM Axis Program is \$10,000. Under certain circumstances, we may waive this minimum in our sole discretion.

Like APM Axis Program accounts, our non-wrap SIGMA Managed Accounts are managed by IARs on a discretionary basis. There is no fundamental difference in how an IAR will manage a non-wrap SIGMA Managed Account versus an Axis Program account. In both cases, the IAR has access to the same securities and investments for constructing portfolios in the account, and SPC supervises such discretionary accounts according to the same standards. However, the overall fees differ between APM Axis Program accounts and SIGMA Managed Accounts due to their different fee structures as wrap and non-wrap accounts, respectively. For more information regarding the fees associated with SIGMA Managed Accounts, and the conflicts of interest related thereto, please consult SPC's Form ADV Part 2A brochure.

Fund Strategist Portfolio (FSP)

The minimum Client Fee to be charged will be \$25 per account, per year. The annual fee payable to your IAR for your account (i.e., the Advisor Fee) will be listed in the “Fees” section of the SIS. The maximum Advisor Fee that may be charged by your IAR is 1.75%. The Client Fee also includes a component for the fee charged by the Strategist for the model portfolio. The maximum Client Fee you could pay for an FSP account is 2.50%. For a more detailed breakdown of the Client Fee you will pay, please refer to your SIS.

SPC's minimum account size for the FSP Axis Program is \$10,000. Under certain circumstances, we may waive this minimum in our sole discretion. Strategists may have different account minimums and restrictions on the types of investments included in model portfolios. Strategist account minimums that exceed \$10,000 will take priority over

our minimum. Please refer to the Strategist's Form ADV Part 2A brochure for additional information regarding these details.

A maximum fee of eight basis points (0.08%) will be imposed in addition to the Client Fee if you elect the tax overlay service that Envestnet offers, subject to a minimum annual fee of \$40. To find your specific fee for overlay services, please refer to your SIS.

Separately Managed Account (SMA)

The minimum Client Fee to be charged will be \$50 per account, per year. The maximum Advisor Fee that may be charged by your IAR is 1.75%. The Client Fee also includes a component for the fee charged by the Manager. The maximum Client Fee you could pay for an SMA is 2.50%. For a more detailed breakdown of the Client Fee you will pay, please refer to your SIS.

SPC's minimum account size for the SMA Axis Program is \$100,000. Under certain circumstances, we may waive this minimum. Managers may have different account minimums and restrictions on the types of investments they manage. Manager account minimums that exceed \$100,000 will take priority over our minimum. Please refer to the Manager's Form ADV Part 2A brochure for additional information regarding these details.

Unified Managed Account (UMA)

The minimum Client Fee to be charged will be \$50 per account, per year. The maximum Advisor Fee that may be charged by your IAR is 1.75%. The Client Fee also includes a component for the fee charged by the Manager or the Strategist, as applicable. The maximum Client Fee you could pay for a UMA is 2.50%. For a more detailed breakdown of the Client Fee you will pay, please refer to your SIS.

The minimum account size for the UMA Axis Program is \$10,000. Under certain circumstances, we may waive this minimum. Strategists and Managers may have different account minimums, restrictions on the types of investments they manage, and other pertinent details may apply. Strategist and Manager account minimums that exceed \$10,000 will take priority over our minimum. For additional information regarding any restrictions imposed by a Manager or Strategist, please refer to the Manager's or Strategist's Form ADV Part 2A brochure.

A maximum fee of 10 basis points (0.10%) will be imposed in addition to the Client Fee if you elect the tax and/or impact overlay services that Envestnet offers. This maximum fee applies to the first \$10,000,000 of account assets and then declines based on certain asset breakpoints. To find your specific fee for these overlay services, please refer to your SIS.

A maximum fee of 25 basis points (0.25%) will be imposed in addition to the Client Fee if you elect the PMC private wealth consulting overlay service. This fee consists of two components:

- A fee for the outsourced consulting service portfolio overlay feature, which is a trading and service functionality that is engaged whenever the PMC private wealth consulting overlay service is applied to an account. The maximum fee is 10 basis points (0.10%) and applies to the first \$10,000,000 of account assets; the fee then declines based on certain asset breakpoints.
- A fee for the PMC private wealth consulting overlay service. The maximum fee is 15 basis points (0.15%) and applies to the first \$10,000,000 of account assets excluding Envestnet's proprietary products or models; the fee then declines based on certain asset breakpoints.

To find your specific fee for these services, please refer to your SIS.

Fees Billed in Advance

SPC's current practice is to bill client accounts for the Client Fee in advance based upon the prior month-end accrued account AUM. SPC will begin billing the Client Fee only after your IAR has submitted all required applications, agreements, and other supporting documentation in good order, and after your account is funded. In the event your account is funded at any time other than the first day of a calendar month (a "partial month"),

the initial pro-rated Client Fee will be calculated in advance based upon your account AUM as of the date your account is funded; however, this pro-rated advisory fee will not be billed until the end of this partial month. Except for this initial Client Fee billing and any adjustment due to mid-period asset flows (discussed below), all other Client Fee payments will be billed and payable monthly in advance and calculated based upon your account AUM as of the last business day of the previous month.

For the calendar month in which your client services agreement is terminated, the Client Fee will be prorated and refunded based on the number of days that the client services agreement was in effect during such month. The effective date of termination, and any notice requirements related thereto, are set forth in the terms of the client services agreement.

In the event your IAR terminates his or her relationship with SPC, all components of the Client Fee other than the Advisor Fee will continue to be billed to your account. In other words, as long as your client services agreement remains in effect and has not been terminated, SPC will no longer bill your account the Advisor Fee but will continue to bill your account each month for the other components of the Client Fee.

There may be times where the Client Fee cannot be assessed based on account AUM for a particular billing period, such as when the account contains insufficient cash to cover the Client Fee. If this were to occur, the Client Fee will still be calculated as described in this brochure, however (i) your IAR will not receive the Advisor Fee component of the Client Fee for that billing period, and (ii) SPC will pass along the other components of the Client Fee to your IAR (i.e., they will be paid by your IAR).

Negotiable Advisor Fee

Because the Advisor Fee is negotiated between you and your IAR, individual clients may pay different fees for receiving the same or similar advisory services. While the Advisor Fee is negotiable, the other components of the Client Fee are not negotiable. The Client Fee is solely for the account management services and other account services explicitly described or listed in the client services agreement or this brochure, and not for any other advisory services. IARs, in their discretion, may provide services without charging an Advisor Fee to immediate family members and charitable organizations.

Your IAR has the option of using a blended Advisor Fee. With a blended Advisor Fee, your IAR can specify a different AUM-based percentage for each of the following account AUM tiers: (i) \$250,000 or below; (ii) \$250,001–\$500,000; (iii) \$500,001–\$750,000; (iv) \$750,001–\$1,000,000; (v) \$1,000,001–\$2,000,000; (vi) \$2,000,001–\$5,000,000; and (vii) greater than \$5,000,000.

For example, assume a prior month-end account AUM of \$5,500,000 and the following blended Advisor Fee schedule:

Account AUM	Advisor Fee
\$250,000 or below	2.00%
\$250,001–\$500,000	1.75%
\$500,001–\$750,000	1.50%
\$750,001–\$1,000,000	1.25%
\$1,000,001–\$2,000,000	1.00%
\$2,000,001–\$5,000,000	0.75%
Greater than \$5,000,000	0.50%

In this hypothetical example, the blended Advisor Fee schedule would be applied as follows to calculate the Advisor Fee: The first \$250,000 of the account AUM will be billed at a rate of 2.00%; the next \$250,000 will be billed at a rate of 1.75%; the next \$250,000 will be billed at a rate of 1.50%; the next \$250,000 will be billed at a rate of 1.25%; the next \$1,000,000 will be billed at a rate of 1.00%; the next \$3,000,000 will be billed at a rate of 0.75%; and all remaining amounts will be billed at a rate of 0.50%.

To determine the Advisor Fee, each of the different fee assessment amounts is added together and scaled using an “actual/actual” day count convention to reflect the duration of the billing period and a 365-day calendar year. Continuing with the example above, for a 30-day billing period, the Advisor Fee is calculated as follows:

$$(30 \div 365) \times [(\$250,000 \times 2\%) + (\$250,000 \times 1.75\%) + (\$250,000 \times 1.5\%) + (\$250,000 \times 1.25\%) + (\$1,000,000 \times 1\%) + (\$3,000,000 \times 0.75\%) + (\$500,000 \times 0.5\%)] = \$4,212.33.$$

Please note that the example above is merely designed to illustrate how a blended Advisor Fee schedule is applied. Our billing system has been set with a default Advisor Fee of 1.00% for each AUM tier. However, your IAR will be required to specify a percentage for each tier which could differ from this default fee of 1.00%.

The maximum Advisor Fee that may be charged by your IAR is 2.35% for APM accounts as compared to 1.75% for FSP accounts, SMAs, and UMAs. Because your IAR sets the Advisor Fee for any Axis Program account, your IAR has a financial incentive to prefer APM accounts over other types of Axis Program accounts due to the higher maximum Advisor Fee that can be charged with respect to APM accounts. SPC addresses this conflict through disclosure, by ensuring that it does not intentionally direct or incentivize IARs to favor one type of Axis Program over another, and by reviewing Axis Program accounts for client suitability. Moreover, you are under no obligation to open an Axis Program account that your IAR recommends. As explained above, the Advisor Fee is negotiable for all Axis Program accounts.

Additional Envestnet Fee and Sponsor Fee Disclosures

Under its agreement with SPC, Envestnet assesses a minimum annual charge for each client account. For APM accounts, this fee is currently equal to two basis points (0.02%) of the value of the account AUM. For FSP accounts, SMAs, and UMAs, this fee is ordinarily equal to eight basis points (0.08%) of the value of the account AUM; however, this fee will decrease to seven basis points (0.07%) once the total client assets on the Platform reaches \$1.5 billion and will decrease again to six basis points (0.06%) when the total client assets on the Platform reaches \$3 billion. Certain conflicts of interest have resulted from this arrangement:

- In the event this fee assessed by Envestnet were to decrease in the future, SPC would not pass along these cost savings to clients. Instead, SPC would increase its Sponsor Fee by an equal amount, resulting in clients paying the same amount regardless of the total client assets on the Platform. Consequently, SPC's compensation from FSP accounts, SMAs, and UMAs would increase each time a fee threshold (i.e., \$1.5 billion or \$3 billion) is reached as described above. This creates a conflict of interest, as SPC has a financial incentive to favor or recommend FSP accounts, SMAs, and UMAs over other types of accounts in order to increase SPC's compensation.
- In addition, SPC has a financial incentive to maintain its relationship with Envestnet and recommend the Platform so that SPC can receive this increased compensation. SPC also has an incentive to recommend your participation in the FSP, SMA, and UMA Axis Programs over the APM Axis Program so that SPC can reach the asset thresholds set by Envestnet and increase SPC's compensation. These financial incentives create additional conflicts of interest.
- Finally, SPC has an incentive to encourage IARs to recommend the Platform over other investment options or advisory services such as non-wrap accounts, and SPC's affiliated broker-dealers can economically incentivize IARs to do so by providing them with account transfer credits when migrating clients' eligible assets from a non-Custodian platform to SPC's Platform. These financial incentives create additional conflicts of interest. A detailed discussion of these credits provided by our affiliated broker-dealers, and the related conflicts of interest and how they are addressed, is provided below in this brochure under the heading “Affiliated Broker-Dealer Compensation.”
- SPC addresses these conflicts of interest through disclosure.

The minimum annual fee for APM and FSP accounts is \$25, and the minimum annual fee for SMAs and UMAs is \$50. In the event the fee assessed by Envestnet is insufficient to generate these account minimums, your IAR will be responsible for paying the difference. However, in the event your IAR terminates his or her relationship with SPC, for any reason whatsoever, you will be responsible for paying the difference.

In addition to the fees described above, Envestnet also receives additional compensation from markups to the advisory fees charged by Managers and Strategists. This is described in more detail in Envestnet's Form ADV Part 2A brochure.

Additional Custodian Fee Disclosures

SPC's current pricing arrangement with the Custodian was implemented in September 2023 and amended in August 2024. Certain conflicts of interest have resulted from this pricing arrangement:

- The Custodian Fee component of the Client Fee is remitted to SPC by Envestnet.
- The Custodian assesses each of SFC and Parkland, as the introducing broker-dealers for client assets in Axis Program accounts, a minimum asset-based charge calculated as a percentage of the value of assets in clients' Axis Program accounts. This asset-based charge begins at 2.8 basis points (0.028%) and decreases at predetermined intervals when the total aggregate value of clients' Axis Program assets assigned to the broker-dealer increases beyond specific thresholds. The minimum asset-based charge possible is 2.3 basis points (0.023%) and takes effect when aggregate Axis Program assets assigned to the broker-dealer exceed \$4.5 billion. In addition, the Custodian charges a per-trade fee of \$4.95 for trades in a client's account in excess of (1) 150 trades annually for APM accounts; and (2) 300 trades annually for FSP accounts, SMAs, and UMAs. Prior to August 2024, the asset-based fee charged by the Custodian was five basis points (0.05%) and assessed only on chargeable assets, with a per-trade fee of \$4.95 for trades in a client's account in excess of 150 trades annually. SPC's broker-dealer affiliates negotiated a lower asset-based charge in lieu of receiving credits and other economic support from the Custodian.
- SFC and Parkland pass along this asset-based Custodian charge (and any trading fees) to SPC. In turn, SPC passes along (i.e., recoups) the Custodian's charge by means of the Custodian Fee that is assessed to each client account based on the total account AUM. SPC retains as revenue the spread between the Custodian Fee of five basis points (0.05%) and the Custodian's assessed fee, which is a lower amount. This creates a conflict of interest, as SPC can realize greater net revenue from Axis Program accounts through the combination of this spread and the Sponsor Fee than SPC can earn from the program fee of its non-wrap SIGMA Managed Accounts, except when such SIGMA Managed Accounts hold a higher proportion of "non-chargeable assets." For more information regarding the fees associated with SIGMA Managed Accounts, and the conflicts of interest related thereto, please consult SPC's Form ADV Part 2A brochure.
- Consequently, SPC's overall compensation will increase as the amount of client assets on the Platform increases. This creates a conflict of interest, as SPC has a financial incentive to recommend Axis Program accounts over other accounts in order to reach the asset thresholds at which the Custodian's asset-based fees are reduced, thereby increasing SPC's compensation through retention of a greater proportion of the Custodian Fee after offsetting the Custodian's asset-based fee.
- In addition, SPC has a financial incentive to maintain its relationship with the Custodian so SPC can continue charging the Custodian Fee while retaining as revenue the spread between the Custodian Fee of five basis points (0.05%) and the Custodian's assessed fee, which is a lower amount. Finally, SPC has a financial incentive to maintain its relationship with the Custodian in case the Custodian's assessed fee decreases in the future due to SPC achieving the aggregate client asset thresholds at which the Custodian's asset-based fees are reduced, as SPC's revenue will thereby increase.
- SPC addresses these conflicts through disclosure and by periodically reviewing its relationship with the Custodian to ensure that it remains in clients' best interests and that clients are receiving best execution.

Deposits and/or Withdrawals

You may make additions to, or withdrawals from, your account at any time, subject to the terms and conditions of your client services agreement as well as SPC's right to terminate the account if it falls below the minimum account value as determined by SPC from time to time or as otherwise provided in the client services agreement. Account additions may be in cash or securities, provided that SPC reserves the right to decline to accept

particular securities into the account or to impose a waiting period before certain securities may be deposited. You may request periodic withdrawals and may withdraw account assets, subject to the usual and customary securities settlement procedures of the Custodian. You will be solely responsible for any charges, including contingent deferred sales charges, surrender charges, or redemption fees, that apply to redemptions or liquidations of securities held in your account.

When calculating the Client Fee, SPC takes into account mid-period asset flows of \$50,000 or more by adjusting the Client Fee for that period on a pro-rata basis. As a result:

- A daily net account deposit, addition, or contribution of \$50,000 or more will result in a pro-rata increase in the Client Fee for that month relative to the sudden inflow of account AUM. This adjustment takes into consideration the size of the mid-period account AUM inflow and the timing of the inflow event relative to the last business day of the previous month (which served as the reference point for the Client Fee billed in advance for the month). This mid-period adjustment to the Client Fee will be billed at the end of the month in which the inflow occurred.
- A daily net account withdrawal of \$50,000 or more will result in a pro-rata decrease in the Client Fee for that month relative to the sudden outflow of account AUM. This adjustment takes into consideration the size of the mid-period account AUM outflow and the timing of the outflow event relative to the last business day of the previous month (which served as the reference point for the Client Fee billed in advance for the month). This adjustment to the Client Fee will be incorporated as an offset to the Client Fee for the following month; a client will receive an account credit only in the event there is no Client Fee for the following month.

Failure to Satisfy Account Minimums

As described above, each Axis Program has a specific minimum account opening balance requirement. At its sole discretion, SPC may waive this requirement. However, in the event you open an account and do not deposit the required funds to satisfy the minimum opening balance, your assets will not be managed until the minimum is met. During this time, SPC can elect to invest your cash into a money market fund until the minimum opening balance requirement is met, and your account will not be billed the Advisor Fee component of the Client Fee.

Death of an Account Owner

For accounts with a single owner (e.g., IRAs), when the account owner dies, the account assets may become subject to a will, estate laws, and other governing laws or documents. Consequently, upon receiving notice of the account owner's death, SPC will discontinue billing the Advisor Fee component of the Client Fee (i.e., the Client Fee charged to the account will be reduced by the amount of the Advisor Fee) and will submit a request to the Custodian for the account to be restricted (i.e., frozen) until necessary documents are received (e.g., a death certificate) and legal distribution has been determined. In addition, SPC will advise the client's IAR to cancel any open orders and remove the account from any models.

For accounts with more than one owner (e.g., a joint account), if the owner whose Social Security number (or tax ID) is assigned to the account dies, in order to ensure proper tax reporting, SPC will submit a request to the Custodian for the account to be restricted (i.e., frozen) until the Social Security number (or tax ID) of another account owner is assigned to the account. For an account owned by a client with a court-appointed conservator, if the conservator dies, resigns, or is removed, SPC will submit a request to the Custodian for the account to be restricted (i.e., frozen) until a new conservator has been appointed and SPC receives copies of the applicable court records (e.g., court order and letters of conservatorship). Similarly, for an account owned by a trust, if the acting trustee dies, resigns, or is removed, and a successor trustee is not named in the trust documents or otherwise promptly appointed, SPC will submit a request to the Custodian for the account to be restricted (i.e., frozen) until a successor trustee has been appointed and SPC receives supporting documentation thereof. While the account remains restricted (i.e., frozen), the Client Fee charged to the account will be temporarily reduced by the amount of the Advisor Fee to cover only administrative and service fees of SPC, the Custodian, and Envestnet as well as the fees of any Managers and/or Strategists. After an account has been restricted in this manner for more than ninety (90) days, SPC may elect, in its sole discretion, to convert the account to a retail brokerage account with the Custodian, thereby removing the account from the Platform.

Trade Errors

In the event a trading error occurs in your account and results in a loss, our policy is to restore your account to the position in which it should have been had the trading error never occurred. Depending on the circumstances, our corrective actions include the following options: (1) canceling the trade, (2) adjusting an allocation, and/or (3) reimbursing the account.

If a trade error results in a profit, you will not keep the profit. Instead, profits from trade errors will remain in SPC's trade error account (i.e., the Custodian account that SPC utilizes to correct trade errors) throughout the quarter and will be netted against other trade errors that result in losses. In the event the trade error account has a net profit at the end of the quarter, SPC will donate that amount to a charity of its choosing. Notwithstanding the foregoing, retirement plans will be entitled to keep any profits resulting from a trade error.

Limits on Billing for Other Accounts

In order to comply with Section 4975 of the Internal Revenue Code of 1986, as amended (the "IRC"), and related IRS guidelines, SPC does not permit Individual Retirement Accounts ("IRAs") to be billed for services involving, or provided to, other accounts. This restriction applies to all IRA registrations. Consequently, IRAs cannot be utilized as alternate billing accounts.

Margin

For account billing, SPC utilizes a net-of-margin approach with respect to margin. As a result, in cases where margin is used in an APM Axis Program account, the Client Fee is based upon the net equity of the account, meaning the market value of the securities in the account less margin debit balances.

Your IAR has a conflict of interest when recommending that you purchase or sell securities using borrowed money. Specifically, your IAR has an incentive to increase his or her compensation by recommending the acquisition of securities on margin, which will increase the size of the asset base from which your IAR's Advisor Fee is calculated. SPC addresses this conflict through disclosure. Moreover, the Advisor Fee is negotiable.

Our Fees May Change

In general, we may change, amend, modify, or revise our fee schedules (including the Client Fee) at any time by providing you with thirty (30) days' advance notice.

Account Debiting

With assistance from Investnet and the Custodian, we directly debit your account for the payment of the Client Fee. Our ability to deduct fees from your account causes SPC to exercise limited custody over your account assets under Rule 206(4)-2 of the Act. We do not have physical custody of any of your funds or securities. Your funds and securities will always be held with an independent qualified custodian.

You will receive account statements at least quarterly from the Custodian. The account statements from the Custodian will indicate the amount of fees deducted from your account each billing period. You should carefully review the account statements from the Custodian. You should also compare the account statements received from the Custodian with any statements or reports you receive from us.

In connection with certain custody requirements under Rule 206(4)-2 of the Act, we have restricted the Asset Movement Authority on all accounts held by the Custodian. Consequently, all client wire instructions require either a client signature or a standing written instruction to be on file. SPC does not process requests for, facilitate, or accept international wires, international checks, or international electronic funds transfers ("EFTs"), whether to or from a foreign country.

Termination

The client services agreement may be canceled at any time, by any party, for any reason, upon written notice to the other parties, as provided in such agreement. For the calendar month in which the client services

agreement is terminated, the Client Fee will be prorated and refunded based on the number of days that the client services agreement was in effect during such month.

In the event your IAR dies, becomes permanently disabled, terminates his or her relationship with SPC, or provides you with written notice terminating your relationship, your client services agreement shall continue in full force and effect despite the occurrence of such event. In determining the disposition of your account, we may, in our sole discretion, elect to take one of the courses of action outlined in the client services agreement. Such courses of action include: (i) converting your account to a retail account with the Custodian (or one of its affiliates) so that SPC is removed from your account as the investment adviser of record; or (ii) appointing a new IAR to replace the formerly assigned IAR, including an IAR who is a member of SPC's back-office staff on SPC's House Account Service Team.

For the first option, by converting your account to a retail account with the Custodian (or one of its affiliates) and removing SPC from your account as the investment adviser of record, your account will become a retail brokerage account with the Custodian and/or a house account with one of SPC's affiliated broker-dealers. As a house account, no financial professional will be assigned to your account, and you will be responsible for monitoring your own assets because SPC will have no further obligation to act upon or to provide advice with respect to those assets. Transactions in your account will be processed at the prevailing brokerage rates.

For the second option, the new IAR will service your account based upon his or her investment management methodology, which could differ substantially from the formerly assigned IAR's investment management methodology, and in accordance with your documented investment objectives, risk tolerance, time horizon, goals, and investment guidelines and restrictions. The relationship between the new IAR and you will be governed by the terms of the client services agreement, with the new IAR substituted in for the formerly assigned IAR, including the formerly assigned IAR's previous trade authorizations, asset movement authorizations, discretionary authority, and fee-billing arrangements with respect to your account. SPC may also elect this second option in the event an IAR assigned to your account sells his or her book of business to another IAR of SPC, regardless of whether or not the assigned IAR terminates his or her relationship with SPC, in order to help facilitate the sale transaction.

Additional Fees and Expenses

Money Market Funds

IARs are permitted to utilize unaffiliated money market funds as investment vehicles for the cash balances in client accounts. The account AUM utilized for purposes of calculating the Client Fee will include these money market balances. This is a conflict of interest, because our compensation is higher than it otherwise would be if we excluded cash/money market positions when calculating the Client Fee. Because cash equivalent balances are not invested in the market and are included in the calculation of the Client Fee, we actively monitor for accounts with larger cash equivalent positions using third-party software that alerts our compliance staff to significant allocations. When an account is flagged, we follow up with the IAR and inquire further in accordance with our policies and procedures. Please see below for a discussion of additional compensation that SPC's affiliated broker-dealers receive from money market and cash positions in client accounts.

Fund Fees and Expenses

The assets in your account will very likely be invested in mutual funds and/or ETFs, as these are very common and convenient investments for client account management. The Client Fee that you pay for investment advisory services is separate and distinct from the internal fees and expenses charged by mutual funds and ETFs (which are described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by us, mutual funds, ETFs, and other service providers.

Custodial Fees and Expenses

The Client Fee includes the costs of brokerage commissions for transactions executed through the Custodian and charges relating to the settlement and clearance of securities in your account. The Client Fee does not include

other fees that account custodians are customarily permitted to charge clients, including, but not limited to, special fees for alternative investments or qualified accounts as well as account opening, maintenance, transfer, termination, wire transfer, electronic fund, retirement plan, 990-T reporting, and applicable third-party fees. The Client Fee also does not include other fees that may be incurred due to the securities in question and/or a specific transaction, including, but not limited to, markups and mark-downs, dealer spreads, deferred sales charges, odd-lot differentials, transfer taxes, national securities exchange fees, charges for transactions not executed through the Custodian, costs associated with exchanging currencies, other fees and taxes on brokerage, and other fees required by law or imposed by third parties. Your account will be assessed these additional fees and expenses.

To fully understand the total costs you will incur for the account services being provided, you should review the internal fees and expenses associated with the investments in your account, the Custodian's account opening documents, this brochure, Envestnet's Form ADV Part 2A brochure, the Manager's or Strategist's Form ADV Part 2A brochure (if applicable), the fees and expenses disclosed in the prospectuses for the investments you own, and the fees and expenses of other service providers.

Mutual Fund Short-Term Trading Fees

A short-term trading fee is imposed each time a client sells or exchanges shares of a FundsNetwork No Transaction Fee (NTF) fund held less than sixty (60) days. This fee does not apply to Fidelity funds, money market funds, FundsNetwork Transaction Fee funds, FundsNetwork load funds, funds redeemed through the Personal Withdrawal Service, or shares purchased through dividend reinvestment. The short-term trading fee on FundsNetwork NTF funds is different and separate from a short-term redemption fee assessed by the fund itself. Not all funds have short-term redemption fees, therefore please review the fund's prospectus to learn more about any potential short-term redemption fees charged by a particular fund or fund family. If you require additional details, more information regarding these short-term trading fees is available online.²

Affiliated Broker-Dealer Compensation

In connection with SFC and Parkland serving as introducing broker-dealers for Axis Program accounts, SPC has agreed to reimburse SFC and Parkland for any clearing or custodial fees, costs, or expenses, including Custodian charges, that SFC or Parkland incur in connection with the Axis Program, as well as any other direct or general costs or expenses that SFC or Parkland incur on SPC's behalf or at SPC's direction (collectively, "Reimbursed Costs"). As compensation for services rendered to SPC, SFC and Parkland may elect to charge SPC reasonable markups on these Reimbursed Costs.

As further described herein, through their clearing relationship with the Custodian, SFC and Parkland also receive various revenue streams from the Custodian in connection with your Axis Program account, including the following: a monthly payment on all eligible Fidelity Money Market Sweep Fund balances, a monthly revenue share from the Network Bank Deposit Sweep Program, a portion of the interest rate clients pay on margin loans, interest on cash balances in client accounts that have not selected a cash sweep option, revenue share payments for non-Fidelity NTF mutual funds, account transfer cost credits, and all or a portion of the transaction, trading, execution, and brokerage service charges established, controlled, and charged by SFC and Parkland and disclosed in the Brokerage Fee Schedule.

The receipt of these revenue streams is a factor that SFC and Parkland (and SPC as their affiliate) consider when selecting or maintaining their relationship with a custodian and clearing firm, such as the Custodian, for their programs and client accounts. This presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to select custodians and clearing firms like the Custodian through which SFC and Parkland will receive the highest rate and amount of revenue, rather than other available custodians and clearing firms through which SFC and Parkland will receive less or no revenue. Additionally, this presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to recommend themselves (and for SPC to select them) as your broker-dealer of record (rather than other available broker-dealers), which affords SFC and Parkland the ability to set the amounts and rates of many of the charges that result in these revenue streams in a manner that generates the highest possible revenue to SFC and Parkland.

² <https://www.fidelity.com/mutual-funds/all-mutual-funds/fees>

No Transaction Fee (NTF) Revenue-Sharing Program

For non-Fidelity mutual funds, the Custodian has entered into a No Transaction Fee ("NTF") Revenue-Sharing Program with SFC and Parkland, according to which SFC and Parkland receive the following compensation with respect to clients' Axis Program accounts:

Average Aggregate Balances	Basis Points Earned
\$0 to \$10 million	0 basis points (0.00%)
\$10 million to \$25 million	4 basis points (0.04%)
\$25 million to \$50 million	6 basis points (0.06%)
\$50 million to \$100 million	8 basis points (0.08%)
More than \$100 million	10 basis points (0.10%)

The Custodian charges mutual fund companies a recurring fee to make their mutual funds available to broker-dealers that use the Custodian as their clearing firm. The amount of the fee varies and depends on whether a mutual fund's share classes are part of the Custodian's NTF or iNTF (no transaction fee) programs or TF (transaction fee) programs, or are not part of the NTF, iNTF, or TF programs. Different share classes of the same mutual fund can be available on the Custodian's platform, and one share class of a mutual fund can be part of the NTF program while another share class of the same mutual fund is not. SFC and Parkland receive additional compensation when a client's account is invested in mutual funds that qualify for this NTF program, as the Custodian shares with SFC and Parkland a portion of the fee the Custodian receives ("revenue share payments") for the assets that are invested in NTF, iNTF, and TF mutual fund share classes, with some exceptions (e.g., Fidelity funds).

The Custodian generally charges mutual fund companies a higher fee for NTF mutual fund share classes than for other mutual fund share classes. Therefore, SFC and Parkland generally receive a higher revenue share payment from the Custodian for each investment in an NTF mutual fund share class than for mutual fund share classes that are not included in the NTF program. Certain fund companies with share classes in the NTF program pay a lower fee to the Custodian than other fund companies with share classes in the NTF program, and for such companies' mutual fund share classes this means that SFC and Parkland receive a lower revenue share payment for each investment as compared to other mutual fund share classes in the NTF program. Mutual fund share classes that are part of the Custodian's NTF program are generally more expensive for clients.

The revenue sharing arrangements between the Custodian and SFC and Parkland create a conflict of interest for SFC and Parkland (and SPC as their affiliate). Specifically, SFC and Parkland (and SPC as their affiliate) have an incentive to make available, select, and recommend the mutual funds and mutual fund share classes for which the Custodian pays revenue share to SFC and Parkland over the mutual funds and mutual fund share classes for which the Custodian does not pay revenue share to SFC and Parkland, even if these mutual fund share classes are more expensive for clients. SFC and Parkland (and SPC as their affiliate) have a similar incentive to make available, select, and recommend the mutual funds and mutual fund share classes for which the Custodian pays a higher revenue share payment over other mutual funds and mutual fund share classes even if the investments for which the Custodian pays a higher revenue share payment are more expensive for clients. This may result in clients purchasing a higher cost share class than other share classes of the same fund for which the client may be eligible. SFC and Parkland (and SPC) will not credit a client's account for any revenue share payments SFC or Parkland receive in connection with the client's account.

We mitigate these conflicts in several ways. In addition to disclosing these conflicts to you, IARs do not receive any of the revenue share payments that the Custodian pays to SFC and Parkland, nor do IARs receive any more or less compensation based on which mutual funds or mutual fund share classes they select in client accounts or recommend to clients. In addition, IARs are required to always select the lowest-cost available share class when purchasing a particular mutual fund. Lastly, we conduct automated surveillance of your account to determine whether the transactions in your account are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Fidelity Money Market Sweep Fund Balances and Margin Interest

For Axis Program accounts, SFC and Parkland receive a monthly payment on all eligible Fidelity Money Market

Sweep Fund balances. This is calculated at an annualized rate of the average net assets (calculated daily) of clients' beneficially owned shares in the Capital Reserve Class and Daily Money Class of eligible Fidelity core sweep funds:

Average Fund Balances	Capital Reserve Class	Daily Money Class
\$1 million to \$5 million	25 basis points (0.25%)	10 basis points (0.10%)
\$5 million to \$50 million	35 basis points (0.35%)	15 basis points (0.15%)
\$50 million to \$100 million	45 basis points (0.45%)	20 basis points (0.20%)
More than \$100 million	50 basis points (0.50%)	25 basis points (0.25%)

SFC and Parkland also receive additional revenue from the use of margin in clients' accounts. For accounts that use margin, the Custodian charges clients on their margin debits as defined in the Custodian's Customer Disclosure of Credit Terms on Transactions document. Thereafter, the Custodian credits SFC and Parkland with 100% of the client margin interest income in excess of the Targeted Fed Funds Rate plus 1.5%.

The receipt of these revenue streams is a factor that SFC and Parkland consider when selecting or maintaining their relationship with a custodian and clearing firm, such as the Custodian, for their programs and client accounts. This presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to select custodians and clearing firms like the Custodian through which SFC and Parkland will receive the highest rate and amount of revenue, rather than other available custodians and clearing firms through which SFC and Parkland will receive relatively less or no revenue. Additionally, this presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to recommend themselves (and for SPC to select them) as your broker-dealer of record (rather than other available broker-dealers), which affords SFC and Parkland the ability to set the amounts and rates of many of the charges that result in these revenue streams in a manner that generates the highest possible revenue to SFC and Parkland. It also creates a financial incentive for SPC, SFC, and Parkland to recommend that clients keep money in cash sweep vehicles and/or Fidelity money market funds, rather than lower-cost, non-revenue generating cash sweep vehicles.

We address these conflicts of interest by disclosing them to you, by ensuring the revenue SFC and Parkland receive from these sources is not shared with the IARs providing investment advisory services and investment recommendations to you and your account, by requiring your IAR to always select the lowest-cost available share class when purchasing a particular mutual fund, and by conducting automated surveillance of your account to determine whether the transactions in your account are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Network Bank Deposit Sweep Program

When you open a brokerage account with either SFC or Parkland for purposes of participating in an Axis Program, you can elect SFC's or Parkland's default cash sweep program (each, a "Sweep Program") as your core account investment vehicle, where uninvested cash balances (e.g., from securities transactions, dividends, interest payments, or deposits) in your account are deposited into the selected Sweep Program each business day. The following disclosures regarding the Sweep Programs provide general descriptions of the terms, conditions, and features associated with them, and detail the compensation our broker-dealer affiliates and other parties receive in connection with such programs and the conflicts of interest such compensation creates. For additional information regarding the terms, conditions, and features of the Sweep Programs, please refer to the Bank Deposit Sweep Program (BDSP) Disclosure Document provided to you in connection with the opening of your brokerage account.

Clients should review this disclosure regarding the Network Bank Deposit Sweep Program carefully. SFC and Parkland earn significant compensation in connection with uninvested cash balances held in the Sweep Programs, which in turn incentivize SFC and Parkland to designate the Sweep Programs as the default core account investment vehicles over other vehicles that involve less or no compensation for them and pay clients higher rates of interest, resulting in a conflict of interest. Clients should be aware that they are not required to use a Sweep Program as their core account investment vehicle, and that other options are available which pay higher rates of interest on uninvested cash balances.

A Sweep Program is a core account investment vehicle under which client funds not otherwise invested (e.g., cash balances) are swept into deposit accounts held at one or more participating banks insured by the Federal Deposit Insurance Corporation ("FDIC") (and in some cases, into shares of a money market fund, which are not insured by the FDIC). Clients can earn interest on such deposits (and dividends on investments in a money market fund, where applicable). A Sweep Program is made available and administered by the Custodian and a designated administrator (the "Administrator"), which both earn fees in connection with recordkeeping and other services provided for the Sweep Program. The fees earned by the Custodian and the Administrator are in addition to the fees paid to SFC and Parkland, and overall are significant and reduce the amount of interest you can receive on uninvested cash balances.

When you elect a Sweep Program as your core account investment vehicle, the Sweep Program will be used to hold your cash balance while awaiting reinvestment. When you participate in an Axis Program and elect a Sweep Program, the cash balance awaiting reinvestment in your account will be automatically deposited, or "swept," into interest-bearing FDIC insurance eligible deposit accounts ("Deposit Accounts") at one or more FDIC-insured financial institutions (each, a "Program Bank," and collectively, the "Program Banks"). Debits to your account, including those arising from securities purchases and other charges, will be satisfied by withdrawing cash from the Deposit Accounts at the Program Banks and "sweeping" the cash back into your account. Cash balances that cannot be placed at a Program Bank, due to capacity limits or otherwise in the Custodian's sole discretion, will be swept to a Money Market Mutual Fund Overflow as described herein. In the event that you have funds swept to a Money Market Mutual Fund Overflow, it will have a material impact on your FDIC insurance coverage, how interest is calculated, and how funds are placed and withdrawn.

Under the Sweep Program, the Custodian or the Administrator generally contracts with participating banks to make specific amounts of deposit capacities available at certain all-in funding rates, which are typically tied or related to the Federal Funds Rate (or a similar type of metric, composite, index, etc.). Client interest as well as Sweep Program fees (i.e., the compensation received by SFC and Parkland, the Custodian, and the Administrator) are paid from the bank's all-in funding rates. All-in funding rates (generally a percentage applied to average daily program deposits at the bank) may be fixed, variable, subject to capacity and other requirements, or a combination thereof. Capacity levels may be subject to minimums and maximums. Contract terms with each participating bank are unique and are expected to change over time. Accordingly, at any given time, participating banks will generally be paying different all-in funding rates notwithstanding interest earned by clients on their sweep deposits will not vary regardless of where their funds are actually swept. Moreover, changes in the Federal Funds Rate (or other applicable factor) will not immediately affect all-in funding rates paid or interest rates offered under the Sweep Program.

The compensation and benefits that SFC and Parkland receive as a result of clients' use of a Sweep Program represent a significant and important source of revenue for such firms, and are determined by such firms based on the selection of one of several interest schedules made available by the Custodian. The compensation that SFC and Parkland receive from the Sweep Program is not determined by SPC, reduces the interest rate the clients receive on cash balances, and is in addition to the advisory fees that you pay to SPC. This means that we and our broker-dealer affiliates collectively earn two layers of fees on the same cash balances in your account. This creates a conflict of interest, as SPC and its broker-dealer affiliates collectively earn more from Sweep Program balances in Axis Program accounts than they would if such balances were held outside of the Sweep Program, creating an economic incentive for SPC and its affiliates to retain Axis Program account assets in cash in the Sweep Program.

With respect to Sweep Account balances held in Axis Program accounts, SFC and Parkland are compensated through their receipt of fees from the interest rates paid by participating banks in connection with Deposit Accounts. This creates a conflict of interest, as any increase in the fees SFC and Parkland receive will decrease the interest that you will receive in connection with the Deposit Accounts. It is expected that the vast majority of the all-in funding rates paid by the banks will be paid to SFC and Parkland, the Custodian, and the Administrator. Accordingly, the interest rate clients receive on Sweep Program deposits will be lower than the all-in funding rates paid by the banks under this program and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC-insured, such as money market mutual funds; and (ii) bank deposits offered outside of the Sweep Program. In some scenarios with low interest rates, the fees received by SFC, Parkland, the Custodian, and the Administrator can exceed the amount of interest received by clients on Sweep Program deposits. Please review to the Bank Deposit Sweep Program (BDSP) Disclosure Document provided to you in connection with the

opening of your brokerage account for information regarding such low interest rate scenarios.

For Axis Program accounts, SFC and Parkland receive a monthly interest rate amount from the Custodian as set forth in the table below, and this monthly interest rate amount is used to fund both SFC's and Parkland's compensation as well as the interest that is credited to clients. Due to the compensation SFC and Parkland receive, the amount of interest that will be credited to your account will be substantially less than the amounts set forth in the table below.

Targeted Fed Funds Rate ("TFF")	Monthly Interest Rate Amount
0.00% to 0.25%	1 basis point (0.01%)
0.25% to 0.50%	2 basis points (0.02%)
0.50% to 0.75%	4 basis points (0.04%)
0.75% to 1.00%	30 basis points (0.30%)
1.00% to 1.50%	55 basis points (0.55%)
1.50% to 2.00%	100 basis points (1.00%)
2.00% to 3.00%	150 basis points (1.50%)
3.00% or higher	TFF less 50 basis points (TFF – 0.5%)

The more client deposits held in the Sweep Program, and the longer such deposits are held, the greater the compensation SFC and Parkland, the Custodian, and the Administrator receive. Different banks participating in the Sweep Program pay different all-in funding rates (and are subject to different contractual requirements), creating an incentive for the Administrator to direct Sweep Program deposits to banks that result in the Administrator receiving greater compensation, rather than banks that pay the most interest or otherwise offer the greatest benefits to clients. SFC, Parkland, and the Custodian receive more compensation with respect to amounts in the Sweep Program than with respect to other sweep products or other alternatives for holding cash. The fees SFC and Parkland receive in connection with the Sweep Program create a conflict of interest and an incentive for SFC and Parkland to offer the Sweep Program as the default cash sweep option for client accounts, which clients elect at account opening. In addition, the compensation SFC and Parkland receive in connection with the Sweep Program creates a conflict of interest and incentive for SPC to recommend you maintain and/or increase cash balances in your account, as cash balances in your account increase compensation to SFC and Parkland under the Sweep Program. Please note your IAR has a conflict of interest due to the overall compensation that accrues to SPC and its broker-dealer affiliates through the compensation received by SFC or Parkland in connection with the Sweep Program. SFC and Parkland do not share any compensation they receive from the Sweep Program with SPC or your IAR.

You may elect not to use the Sweep Program as your core account investment vehicle. Your alternative options include (1) another core account investment vehicle that is still available as a sweep option such as a Fidelity Money Market Sweep Fund, (2) cash equivalent investments (e.g., money market funds) available outside of the sweep context, and (3) not electing a sweep option. SFC and Parkland receive greater amounts of compensation in connection with the balances in the Sweep Program than they do in connection with cash balances held in these alternative options that are available to you, creating an incentive to designate the Sweep Program as the default core account investment vehicle over other options. In addition, like the Sweep Program, these alternatives that are available to you also offer capital preservation but generally offer a higher rate of return and are thus a more appropriate place to invest significant cash balances for an extended period. When you select one of these alternative options, you are not eligible for the FDIC insurance that you would otherwise be eligible to receive in connection with balances held in the Sweep Program. Instead, balances held in these alternative options will receive the benefit of any available SIPC insurance, up to applicable limits.

Client accounts not electing a sweep option ("non-sweep accounts") will be eligible for credit interest on cash balances at an interest rate determined solely by the Custodian and updated by the Custodian from time to time. In this situation, the Custodian's clearing agreements with SFC and Parkland state that the Custodian will credit SFC or Parkland based on a predetermined formula, according to which SFC and Parkland will receive eighty percent (80%) of the National Financial Credit Rate less any amounts credited to such non-sweep accounts ("Credit Interest"). The Credit Interest compensation SFC and Parkland receive in connection with non-sweep accounts creates a conflict of interest and an incentive for SFC and Parkland to recommend you maintain and/or increase cash balances in your account, as cash balances in your account increase Credit Interest

compensation to SFC and Parkland. Please note your IAR has a conflict of interest due to the overall compensation that accrues to SPC and its broker-dealer affiliates through the compensation received by SFC or Parkland from Credit Interest. SFC and Parkland do not share any Credit Interest compensation they receive with SPC or your IAR. Your IAR can provide additional product information for any alternative options available outside of the Sweep Program.

Banks in the Sweep Program do not have a duty to provide clients with the highest interest rates available and will instead seek to pay a lower rate, and a rate that is lower than other options available in the market, including money market mutual funds. Banks have the financial incentive to pay all-in funding rates as low as the market will permit. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus. Moreover, unlike money market funds, SIPC insurance does not cover any assets held in a bank deposit cash sweep program such as the Sweep Program.

The Custodian also receives an economic benefit for shares held in the "Money Market Mutual Fund Overflow," as described in the Bank Deposit Sweep Program (BDSP) Disclosure Document. The fee paid to the Custodian is for recordkeeping and other services with respect to amounts invested in the program. SFC and Parkland may receive indirect benefit from investment in the Money Market Mutual Fund Overflow in the form of better contractual terms with the Custodian or increases to revenue sharing, credits, or other payments from the Custodian described in this brochure.

Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a bank participating in the Sweep Program or indirectly through SFC or Parkland or another intermediary, regardless of the number of accounts, are aggregated by the FDIC for purposes of the applicable insurance limits. It is, therefore, important for you to monitor the total amount of deposits that you have with each bank in the Sweep Program to determine the extent of FDIC insurance coverage available to you. Neither SPC nor any of its broker-dealer or other affiliates take responsibility for knowing your cash balances outside of your Axis Program account or where those funds are deposited. For more information on FDIC insurance, please refer to the Bank Deposit Sweep Program (BDSP) Disclosure Document provided to you in connection with the opening of your brokerage account.

Given the conflicts discussed above, each client should consider the importance of the Sweep Program, Fidelity Money Market Sweep Funds, and Credit Interest to SFC and Parkland when evaluating our total fees and compensation, and deciding whether to open an account with SPC and one of its affiliated broker-dealers. We address these conflicts by disclosing them to you, such as in this brochure, and by not sharing with IARs the revenue generated from the Sweep Program, Fidelity Money Market Sweep Funds, or Credit Interest. In addition, we actively monitor for accounts with larger cash positions using third-party software that alerts our compliance staff to significant cash allocations. When an account is flagged, we follow up with the IAR and inquire further in accordance with our policies and procedures. For more information about the Sweep Program and benefits that SFC and Parkland receive in connection with such deposits, please refer to Bank Deposit Sweep Program (BDSP) Disclosure Document, which you can request from your IAR.

Account Transfer Credits

SFC and Parkland can receive annual compensation from the Custodian in the form of Transfer Credits equal to 0.1% (or 10 basis points) of the amount of eligible assets that transfer to the Custodian during a limited 90-day window, subject to an annual cap of \$250,000. Such "eligible assets" consist of assets that (1) do not already exist on the Custodian's platform as of the date of the transfer of the assets to which the Transfer Credit would be applicable, (2) are not excluded by the Custodian in connection with its risk review of the financial professional involved in the transfer or otherwise rejected by the Custodian, and (3) are not materially different from the business mix and/or assets mix maintained by the Custodian on behalf of SFC and Parkland. Calculations of Transfer Credits are based on eligible assets received during the first ninety (90) calendar days following the transfer of the first account with eligible assets; any transfer of accounts outside of this 90-day period will not be included in eligible assets. SFC and Parkland receive their Transfer Credit compensation within four (4) calendar months of the transfer of the first account with eligible assets.

At their option, or at the request of the IAR, SFC and Parkland can elect to share Transfer Credits with clients who transfer eligible assets to the Custodian in order to reimburse such clients for some or all of the fees and costs which they incur from other clearing providers or otherwise in connection with the transfer of eligible assets to the Custodian. In no event would any account transfer reimbursement provided to a client exceed the actual costs incurred by the client in transferring their assets to the Custodian. However, in their sole discretion, SFC and Parkland can also elect to retain all of the Transfer Credits or, alternatively, remit a portion of the Transfer credits to the IAR as a form of additional compensation, rather than share any of the Transfer Credits with clients. This could occur, for example, as a means of compensating an IAR for lost revenue due to a transfer of clients' eligible assets held with another custodian.

The receipt of these Transfer Credits, as well as the receipt of the various other revenue streams described herein, presents a conflict of interest of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to: (i) select the Custodian as the custodian for client accounts, rather than other available custodians and clearing firms from which SFC and Parkland do not receive Transfer Credits; and (ii) recommend that clients transfer assets to, and increase their assets held with, the Custodian, rather than other available custodians that do not provide SFC and Parkland with Transfer Credits. Additionally, Transfer Credits will not be offered or made available to all new clients transferring their assets to the Custodian, and they may not be offered to any clients if SFC and Parkland so choose.

We address these conflicts by disclosing them to you, by taking reasonable steps to ensure that any account transfer reimbursements provided to clients are directly proportional to the actual costs incurred by the clients in transferring their assets to the Custodian, and by conducting automated surveillance of your account to determine whether the transactions in your account are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Miscellaneous Fee Markups

For Axis Program accounts, SFC and Parkland have marked up some of the Custodian's standard miscellaneous account fees disclosed on the Brokerage Fee Schedule. The Custodian collects these fee markups and remits them back to SFC and Parkland. The following miscellaneous fees have been marked up by the following amounts: full transfer of accounts delivery (ACAT exit fee) by \$25; transfer and ship (DRS eligible) by \$10; quarterly paper account fee (i.e., quarterly paper statements) by \$3; trade and margin extension by \$13; mailgram by \$5; bounced check by \$10; stop payment by \$10; Select Access Cash Management Account with Visa Classic Debit Card by \$10; annual custody and recordkeeping (inactive brokerage) fee by \$25; and IRA maintenance fee by \$15.

The receipt of these revenue streams is a factor that SFC and Parkland consider when selecting or maintaining their relationship with a custodian and clearing firm, such as the Custodian, for their programs and client accounts. This presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to select custodians and clearing firms like the Custodian through which SFC and Parkland will receive the largest amount of revenue, rather than other available custodians and clearing firms through which SFC and Parkland will receive relatively less or no revenue. Additionally, this presents a conflict of interest for SFC and Parkland (and SPC as their affiliate) given their financial incentive to recommend themselves (and for SPC to select them) as your broker-dealer of record (rather than other available broker-dealers), which affords SFC and Parkland the ability to set the amounts and rates of many of the charges that result in these revenue streams in a manner that generates the highest possible revenue to SFC and Parkland.

When SFC or Parkland serves as your broker-dealer of record, it generally exercises its ability to set these charges at amounts and rates that are higher than the related fees, costs, and expenses, if any, that SFC and Parkland pay to the Custodian for clearance and execution of transactions and related services. For certain charges imposed by SFC and Parkland (e.g., charges related to the transfer of clients' non-retirement account assets to another firm ("ACAT exit fees")), SFC and Parkland pay a reduced related fee, cost, or expense to the Custodian. These are sometimes called "markups" and they vary by product, the type of service provided, the nature and amount of transactions involved (if applicable), the type of account, and other factors. This practice will result in your payment of higher fees, costs, and expenses than you would otherwise pay to the Custodian or other available service providers. These "markups" are in addition to the investment advisory fees you pay us, and you should consider the additional revenue that SFC and Parkland receive when evaluating the appropriateness of

our investment advisory fees.

We address these conflicts of interest by disclosing them to you, by ensuring the revenue SFC and Parkland receive from these sources is not shared with the IARs providing investment advisory services and investment recommendations to you and your account, and by conducting automated surveillance of your account to determine whether the transactions in your account are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Broker-Dealer Strategic Partnership Program

SFC and Parkland have launched a "strategic partnership program" that is available to alternative investment, retirement plan, mutual fund, and annuity product sponsors. This program consists of four partnership structures at increasing partnership fee levels—Basic, Executive, Premier, and Elite—that offer benefits which increase with each level. Depending on the level, such benefits can include, but are not limited to, joint reviews and planning sessions between key personnel of the broker-dealer and product sponsor, sharing of registered representative mailing lists and contact information, the ability to provide education and training to registered representatives, co-branded email campaigns, presentation opportunities at corporate conferences, and access to virtual events throughout the year. In all cases, the partnership fee paid by product sponsors is a flat dollar amount and provides them with more opportunities than their competitors to educate registered representatives about the investments and products the product sponsors offer. These partnership arrangements are made between the broker-dealers and the product sponsor, and the resulting compensation is disclosed on the broker-dealers' public websites. This compensation is in addition to the usual product compensation described in a prospectus or other offering document but is not shared with registered representatives. SFC and Parkland also receive revenue sharing payments from companies that are not strategic partners, including the Custodian, however this is not shared with registered representatives. For more information, please review the Revenue Sharing Disclosure posted on the www.sigma4clients.com and www.parkland4clients.com websites.

We are disclosing these arrangements because Axis Programs may invest in securities or products manufactured, offered, or issued by one or more of our affiliated broker-dealers' strategic partners. Notwithstanding the additional revenue received by our affiliated broker-dealers from strategic partners, such securities and products will not cost you more by purchasing them in an Axis Program as opposed to purchasing them from another broker-dealer or investment adviser. In addition, certain investments issued by some of these strategic partners (e.g., alternative investments) may be held in or linked to SPC advisory accounts, often times for consolidation purposes, although SPC and its IARs receive no direct or indirect compensation from the strategic partners in connection therewith, other than occasional meals and entertainment of reasonable value for IARs consistent with industry rules and regulations.

Wrap Fee Program Conflict of Interest Disclosures

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based upon your financial situation, investment objectives, risk tolerance, and investment time horizon, among other considerations.
- You should be aware that the compensation to SPC and your IAR will differ according to the specific Axis Program selected, and in the case of your IAR directly managing your account, whether you choose to have your IAR do so in a non-wrap SIGMA Managed Account or an APM Axis Program account. The compensation to SPC, its affiliated broker-dealers, and your IAR from an Axis Program may be more than the amounts otherwise received if you participated in another program or paid for investment advice, brokerage and/or other relevant services separately. As a result of the differences in fee schedules and other sources of compensation that exist among the various wrap fee and non-wrap advisory programs and services offered by SPC, its affiliated broker-dealers, and your IAR, we have a financial incentive to recommend an Axis Program that offers greater compensation over other programs and services available through SPC that offer less compensation. This financial incentive represents a conflict of interest. For information regarding conflicts of interest related to non-wrap advisory programs and services, please consult SPC's Form ADV Part 2A brochure.

- The benefits of a wrap fee program depend, in part, upon the size of the account, the management fee charged, and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity, as the transaction costs avoided will ordinarily be more than offset by the program fees incurred. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Client Fee and any other costs of the Axis Program against the amounts that would be charged by other investment advisers, broker-dealers, and custodians for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided through the Axis Program.
- In considering the Axis Programs described in this brochure, you should be aware that participating in a wrap fee program may cost more than the cost of purchasing advisory, brokerage, and custodial services separately from third parties (e.g., other investment advisers or broker-dealers).
- SPC and your IAR receive compensation as a result of your participation in an Axis Program. This compensation may be more than the amount SPC or your IAR would receive if you paid separately for asset management, investment advice, brokerage services, and other services. Accordingly, a conflict of interest exists because SPC and your IAR have a financial incentive to recommend an Axis Program over other programs, advisory services, and investment alternatives that pay less compensation. SPC addresses this conflict of interest through disclosure and by reviewing Axis Program accounts for investor suitability.
- The fees you pay to participate in an Axis Program are for the investment advisory services and certain overlay and brokerage services provided in connection with that Axis Program. Because most advisory programs purchase investments that have their own internal management fees (e.g., mutual funds and ETFs), the total cost of a particular Axis Program will be more than if you were to buy the investments directly. You may purchase investment products that we recommend through other financial professionals or agents who are not affiliated with us. Advisory services similar or identical to those described in this brochure may be available from other investment advisers for lower fees.

Item 5. Account Requirements and Types of Clients

We generally offer and provide investment advisory services to individuals, banks and thrift institutions, retirement plans, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Each Axis Program has a minimum account size as described above in Item 4 of this brochure. Depending on the specific Axis Program, the minimum account size may vary between \$10,000 and \$100,000. Under certain circumstances, this minimum may be waived by SPC or, as applicable and at their discretion, by the Manager or Strategist.

Item 6. Portfolio Manager Selection and Evaluation

Portfolio Manager Selection

Your IAR will recommend one or more Axis Programs and, by extension, Managers or Strategists to you based on your financial situation, investment objectives, risk tolerance, time horizon, liquidity needs, assets, income, investments, and overall financial profile. This creates a conflict of interest, as your IAR could select himself or herself to act as the portfolio manager for your Axis Program account (e.g., an APM account) instead of a third-party portfolio manager available on the Platform, such as a Manager. We address this conflict of interest through disclosure and by means of your IAR's compensation through our payout grid (described below) which does not favor one type of Axis Program or advisory service over another. Moreover, you are under no obligation to open an Axis Program account that your IAR recommends.

Portfolio Manager Evaluation

Investnet acts as a co-sponsor and investment adviser for the FSP, SMA, and UMA Axis Programs. Please refer to Investnet's Form ADV Part 2A brochure for more information about Investnet.

Investnet's investment consultancy team is known as PMC. PMC conducts due diligence on Managers and Strategists' model portfolios that are made available on the Platform. In order to provide a broad selection of Managers and model portfolios across various investment styles and asset classes, we have outsourced model portfolio and Manager due diligence, evaluation, and selection to PMC, and we therefore rely upon PMC's expertise. PMC uses objective and transparent evaluation methodologies consistent with industry fiduciary standards and follows a rigorous approach for researching and selecting Managers and model portfolios, taking into account and analyzing information such as historical or past performance, personnel, investment philosophy, investment style, historical volatility, and correlation across asset classes. Once a Manager or model portfolio is initially approved, PMC conducts ongoing monitoring and due diligence.

If your IAR acts as the portfolio manager for your Axis Program account, your IAR will determine your portfolio allocation, select the investments in your account, and thereafter evaluate and monitor the performance of the investments. IARs generally follow a portfolio construction and review process when formulating advice and recommendations based upon information provided by clients. There are two components to an IAR's portfolio management process: (1) individual security selection, and (2) the asset allocation process. Each IAR researches and develops his or her own investment philosophy and methodology. IARs may utilize portfolio models which are designed to target specific degrees of investment risk, ranging from conservative to speculative. IARs conduct portfolio reviews on a quarterly or other periodic basis to ensure adherence to the risk objective for each portfolio. IARs may also utilize asset allocation software and historical performance modeling software to assist with portfolio construction. Unlike Managers and Strategists, IARs are not evaluated and reviewed by PMC. Instead, IARs are supervised by SPC, including through the use of automated surveillance systems.

As explained above, you will have access to quarterly reports analyzing the performance of your Axis Program account. These quarterly reports track the performance of your account, including against risk-based comparative indices or benchmarks, in order to assist you, SPC, and your IAR in the ongoing evaluation of your account. Quarterly reports will be made available to you exclusively on an electronic basis. SPC relies upon third-party custodians and vendors to provide pricing and valuation data for the purpose of generating quarterly reports, and SPC does not verify the values and prices provided by these third parties. Reasonable efforts are made to obtain data which SPC believes is accurate, and consequently quarterly reports are provided for informational purposes only. Any quarterly reports provided by SPC should be compared against the account statements provided by the Custodian, and if discrepancies exist, the official statements presented by the Custodian (and not the quarterly report) should be deemed correct.

Performance-Based Fees and Side-By-Side Management

Performance-based fees (i.e., fees based on the performance of an account) are calculated based upon a share of capital gains or capital appreciation in the advisory account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept or charge performance-based fees, and consequently we do not participate in side-by-side management. Our fees are calculated as described above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the assets in a client's account.

Methods of Analysis and Investment Strategies

IARs work directly with clients to evaluate their stated needs and objectives. A client's IAR will assess the client's stated risk tolerance, time horizon, goals, and objectives through an interview and data-gathering process in an effort to provide advice and recommendations that are tailored to and best fits the client's profile.

Investment strategies and advice may vary depending upon each client's specified needs and financial situation. Investment strategies may also be based upon a number of concepts and determined by the type of client. IARs each provide individualized advisory services to their clients. The investment advisory strategies utilized by our IARs may range from speculative to conservative, but each is designed to meet the varying needs of our clients. IARs determine which portfolios are suitable after working with clients to ascertain their objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors.

IARs may use one or more of the following methods of analysis or investment strategies when providing investment advice:

- **Charting and Technical Analysis** – Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which are used to predict future price movements based upon price patterns and trends. Technical analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific securities. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security, and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Fundamental Analysis** – Fundamental analysis involves analyzing individual companies and their industry groups, usually through reviewing a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is then used to estimate the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Cyclical Analysis** – Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic and business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may also be difficult to predict with accuracy. The risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Long-Term Purchases** – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short-Term Purchases** – Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of short-term price fluctuations.
- **Margin Transactions** – These are securities transactions in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. The interest charge for borrowing on margin is in addition to the Client Fee.
- **Options Trading/Writing** – A securities transaction that involves buying or selling (i.e., writing) an option. If an investor writes an option, and the buyer exercises the option before it expires, the investor will be obligated to purchase or deliver a specific number of shares at a specific price regardless of the current market value of the underlying security. Conversely, purchasing an option gives the holder the right to purchase or sell a specified number of shares at a specified price until the option expires, regardless of the current market value of the underlying security.

Managers and Strategists each have their own methods of analysis, investment strategies, and unique investment risks.

IARs may use short-term trading (in general, selling a security within thirty (30) days of purchasing the same security) as an investment strategy when managing accounts. Short-term trading is not a fundamental part of our overall investment strategy, but IARs may occasionally use this strategy when they determine that it is suitable given a client's stated investment objectives and tolerance for risk.

Depending upon his or her investment methodology, your IAR may use investment strategies that involve the frequent buying and selling of securities in an effort to capture significant gains and avoid significant losses during volatile market conditions. However, frequent trading can negatively affect investment performance. You should

note that if your IAR effects short-term transactions in a nonqualified account, such transactions could result in short-term gains or losses for federal and state tax purposes. Your IAR's strategies and investment selections may have unique and significant tax implications. However, unless we specifically agree otherwise in writing, tax efficiency is not our primary consideration in the management of your account assets. Regardless of account size or any other factors, we strongly recommend that clients frequently consult with qualified tax counsel to ensure compliance with applicable tax laws and IRS regulations.

Options trading is highly speculative and entails more risks than those present when investing in other types of securities. Option prices are generally more volatile than prices of other types of securities. When trading options, clients can run the risk of losing the entire investment in a relatively short period of time. With more risky option strategies, an investor could theoretically have an unlimited risk of loss.

Similarly, alternative mutual funds are more speculative in nature and come with greater risks than traditional ETFs and mutual funds. If an IAR determines that it is suitable to utilize alternative mutual funds in a client's account, that client will be asked to complete and sign our Alternative Mutual Fund Disclosure Form. For more information regarding these products, please visit the SEC website³ and review the investor alert.

All investments involve risk, and investment performance can never be predicted or guaranteed. Account values can fluctuate (perhaps significantly) due to market conditions, IAR investment selection, Manager or Strategist performance, and other factors. The use of any benchmark or index in connection with investment management services is no guarantee that the investments will experience the same performance results as the index or benchmark, including the results shown on the various reports that are delivered in connection with our management services. It is not possible to invest directly in an index.

Cost Basis Reporting

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the first-in-first-out (or FIFO) accounting method for calculating the cost basis of investments. You are responsible for contacting your tax advisor to determine if this accounting method is the correct or most advantageous choice. In the event it is not, you should provide prompt written notice to your IAR and we will alert the Custodian of the individually selected accounting method. Please note that all decisions regarding cost basis accounting methods must be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will successfully predict future investment results, identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way indicative of future performance or success.

Proxy Voting

We will not vote proxies on your behalf for any of the securities you hold in an advisory account. Additionally, our IARs do not offer advice regarding corporate actions (e.g., mergers), corporate reports, or the exercise of proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the Custodian. However, in the event we were to receive any written or electronic proxy materials, we will forward them directly to you by mail, unless you have authorized SPC to contact you by electronic mail, in which case we will forward any electronic solicitation to vote proxies.

Class Action Lawsuits and Bankruptcies

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation, nor do we initiate or participate in litigation to recover

³ https://www.sec.gov/oiea/investor-alerts-bulletins/ib_altmutualfunds.html

damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of the securities that you own. Additionally, we do not determine if securities held by you are the subject of a bankruptcy petition (or a similar proceeding for the benefit of creditors) or whether you are eligible to participate in bankruptcy or creditor litigation. SPC does not provide legal advice or act on behalf of clients with respect to these matters.

Other Investment Advisory Services

SPC offers other investment advisory services outside of the Platform, including, but not limited to, financial planning services. IARs may also refer clients to third-party investment advisers ("TPIAs") from which SPC and its IARs receive referral compensation. For information regarding the other services we offer outside of wrap accounts, please consult SPC's Form ADV Part 2A brochure, which describes SPC's other services, and the conflicts associated therewith, in greater detail.

Account Management

There is no fundamental difference in how an IAR will manage a non-wrap SIGMA Managed Account versus an Axis Program account. In both cases, the IAR has access to the same securities and investments for constructing portfolios in the account, and SPC supervises such discretionary accounts according to the same standards.

Item 7. Client Information Provided to Portfolio Managers

In order to provide our Axis Program services, we will share your personal information with the Custodian and Envestnet. Any Strategist or Manager that you select will also have access to personal information that you provide to your IAR, as necessary, to construct appropriate portfolios for you. We will only share your personal information as necessary in order to carry out our obligations to you in servicing your account. We share your personal information and account data in accordance with our privacy policy that will be provided to you at the time you open your account. A copy of our privacy policy is also available on our website (www.spc4clients.com).

Item 8. Client Contact with Portfolio Managers

Clients participating in the Platform must play an active role. We require you to participate in the formation of your investment plan and provide us and your IAR with needed information to develop investment advice and recommendations. During the course of the engagement, without restriction, you may contact your IAR to discuss your account or your portfolio, or to ask questions, and we recommend that you meet with your IAR no less than annually.

Without restriction, you should contact SPC or your IAR directly with any questions regarding your Axis Program account. You should contact your IAR with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your account assets.

For APM accounts, you will have direct access to your IAR who manages your account. For FSP accounts, SMAs, and UMAs, you will not have direct access to Strategists, Managers, or Envestnet.

Item 9. Additional Information

Disciplinary Information

As a fiduciary, we are committed to providing our clients with full disclosure regarding any material disciplinary information relating to our firm or our IARs.

SPC entered into a settlement Order with the SEC that was finalized on September 19, 2019. The settlement Order addresses allegations that SPC failed to disclose certain conflicts of interest associated with the following:

1. Rule 12b-1 fee payments that SPC received between January 1, 2013 and March 1, 2017 in connection with mutual fund share class investments purchased, held, or sold in non-wrap SIGMA Managed Accounts, which also resulted in a failure to seek best execution. According to the SEC, SPC's receipt of

such fees created an incentive for SPC to invest advisory clients in a more expensive share class that paid 12b-1 fees when lower-cost share classes of the same funds were available. SPC did not disclose this conflict of interest to clients.

2. Asset-based fees that SPC avoided paying to Fidelity between January 1, 2013 and March 31, 2018 in connection with mutual fund investments purchased, held, or sold in non-wrap SIGMA Managed Accounts. According to the SEC, SPC's asset-based fee agreement with Fidelity presented an additional conflict of interest because SPC benefited, in the form of reduced asset-based fees, if it invested its clients in more expensive mutual fund share classes. SPC did not disclose this additional conflict of interest to clients.
3. Revenue-sharing payments received by SFC and Parkland in connection with tiered sponsorship agreements with various alternative investment sponsors. Pursuant to the tiered sponsorship agreements, the sponsors paid SFC and Parkland revenue sharing, in the form of a flat fee, in return for certain benefits. SPC did not disclose the revenue sharing paid to SFC and Parkland by the product sponsors.

The SEC's Order finds that SPC violated the antifraud provisions of Sections 206(2) and 206(4) of the Act and Rule 206(4)-7 thereunder, as well as the broker registration provisions of Section 15(a) of the Securities Exchange Act of 1934. Without admitting or denying the SEC's findings, and as part of the settlement terms of the Order, SPC paid disgorgement of \$1,920,809, prejudgment interest of \$225,909, and a civil penalty of \$400,000. SPC distributed these funds to harmed investors. SPC also consented to a censure and the entry of a cease-and-desist order from committing or causing further violations of these provisions of the federal securities laws.

For clients who would like additional information, a copy of the settlement Order can be found on both the SEC's website (<https://www.sec.gov/litigation/admin/2019/34-87029.pdf>) and SPC's public client website (www.spc4clients.com).

In addition, certain SPC IARs have reportable disciplinary information. Please read a copy of your IAR's Form ADV Part 2B brochure supplement for more information.

Dual Registration

As discussed herein, most IARs in their respective individual capacities are registered representatives of SFC or Parkland ("dually registered IARs"). All dually registered IARs are subject to FINRA Rule 3280, which restricts registered representatives from conducting securities transactions away from their broker-dealer unless the broker-dealer provides written consent. Therefore, clients are advised that dually registered IARs are limited to conducting securities transactions through SFC or Parkland (and the Custodian which serves as their clearing firm) unless they first secure written consent to execute securities transactions through a different broker-dealer. Absent such written consent or separation from their broker-dealer, these dually registered IARs are prohibited from executing securities transactions through any broker-dealer other than SFC or Parkland (or the Custodian) under each entity's internal supervisory policies. The information contained in this paragraph is not applicable to IARs who are not dually registered.

Other Financial Industry Activities or Affiliations

IARs are generally registered representatives with SFC or Parkland, both of which are affiliated broker-dealers of SPC. It is important to note that clients are under no obligation to grant SPC and its IARs investment discretion. Clients should understand that the investment products, securities, and services that an IAR may select or offer in connection with providing investment advisory services are generally available through other broker-dealers, investment advisers, or investment firms not affiliated with SPC.

SFC and Parkland are also licensed as insurance agencies. Many IARs of our firm are also licensed insurance agents. IARs acting in their capacity as insurance agents will earn commission-based compensation from selling insurance products (e.g., fixed annuities) and policies (e.g., life insurance). SFC and Parkland will also receive compensation from such sales. Insurance commissions are separate from our advisory fees.

Some IARs may also own their own accounting firm, law firm, or third-party administrator ("TPA") firm. For clients in need of accounting, legal, or TPA services, such IARs may recommend that clients retain these entities for such

services. These recommendations present a conflict of interest, because IARs have a financial incentive to recommend these services to you. The fees for such services are separate and apart from the advisory fees charged by SPC. You are under no obligation to use any IAR's affiliated entity, and you may select and use the service provider of your choice.

Retirement Plans

Associated persons and affiliates of SPC are permitted to provide non-fiduciary retirement services to retirement plan sponsors (or plan fiduciaries), such as record-keeping and TPA services, and receive variable compensation therefrom. This presents a conflict of interest, because any IAR who recommends such non-fiduciary retirement services will receive compensation in connection therewith. However, the plan sponsor (or plan fiduciary) is free to obtain such non-fiduciary retirement services from the service provider of its choosing and need not work with the IAR who made the recommendation.

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for our Associated Persons' professional standards of conduct. Our goal is to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Associated Persons are also required to report, and we monitor for, any violations of our Code of Ethics. Additionally, we maintain and enforce written policies and procedures reasonably designed to prevent insider trading as well as the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You can obtain a copy of our Code of Ethics by contacting the SPC Department at (888) 744-6264 or spcinfo@axtella.com.

Agency Trades

An agency trade is a trade where an investment adviser acts as a broker for its clients by placing a client trade in a market or with another person. In Advisers Act Release No. 1732 (July 17, 1998), the SEC released an interpretation of Section 206(3) of the Act clarifying that an "agency transaction between advisory clients" is an agency transaction arranged by an investment adviser whereby one advisory client sells a security to a different advisory client of the investment adviser.

SPC does not ordinarily facilitate transactions between its advisory clients, nor does SPC receive any compensation (other than advisory fees) resulting from any agency trades. Consequently, SPC does not "act as a broker" within the scope of Section 206(3).

Agency Cross Transactions

In an agency cross transaction, an investment adviser acts as a broker on behalf of a client as well as another party involved in the transaction. In other words, the investment adviser operates on behalf of several interests, including those of its client and those of the party on the other side of the transaction. The precise definition of "agency cross transaction for an advisory client" can be found in Rule 206(3)-2(b) of the Act.

SPC does not ordinarily execute agency cross transactions for its advisory clients. Nevertheless, in the event that were to change, SPC has adopted agency cross transaction procedures that are designed to promote fairness among the client accounts we manage and to conform to applicable regulatory principles. We would only conduct an agency cross transaction if a client has consented in advance to such a transaction, either in the client's account agreement or in a separate written consent. Each agency cross transaction would be effected at the independent current market price of the security. We would send to both clients participating in the agency cross transaction a written confirmation at or before the completion of each transaction containing: (i) a statement of the nature of such transaction; (ii) the date on which such transaction took place; (iii) an offer to furnish, upon request, the time when such transaction took place; and (iv) the source and amount of any compensation or other remuneration received (or to be received) by us or our affiliates. We would also send the client an annual summary of all agency cross transactions. A client's written consent authorizing us to effect

agency cross transactions on his or her behalf could be revoked by the client at any time by means of written notice to SPC. Finally, all such purchase and sale transactions that qualify as agency cross transactions would comply with our procedures and Rule 206(3)-2 under the Act. In such circumstances, we would have a conflicting duty of loyalty to both clients for whom we conduct agency cross transactions, and our affiliated broker-dealers (SFC and Parkland) would earn commissions in connection with agency cross transactions.

We do not perform agency cross transactions in connection with retirement plan accounts or retirement plan assets.

Principal Transactions and Step-Out Arrangements

In a principal transaction, an investment adviser, acting on its own account (or an affiliate's account), purchases a security from, or sells a security to, an advisory client. SPC does not regularly or ordinarily engage in principal transactions and will only do so in special circumstances. In the infrequent event that SPC engages in a principal transaction, SPC will comply with the requirements of Section 206(3) of the Act and the SEC guidance set forth in Advisers Act Release No. 1732 (July 17, 1998).

In a "step-out" arrangement, an investment adviser directs the broker-dealer executing a client's trade to allocate all or part of the trade to another broker-dealer. In some cases, the broker-dealer "stepping in" only performs one aspect of the trade, such as clearance. In other cases, the investment adviser may desire that the executing broker-dealer step out a portion of a trade to another broker-dealer that provides research to the investment adviser. SPC does not enter into step-out arrangements with broker-dealers.

Block Trading

Transactions for each client generally will be effected independently, unless your IAR decides to purchase or sell the same securities for a group of clients at approximately the same time ("block trading" or "aggregate"). We are permitted (but not obligated) to aggregate such orders to obtain best execution or to allocate securities equitably among clients. If orders are aggregated under this procedure, we will distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or Associated Persons are permitted to participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made at our discretion (or alternatively at the Custodian's discretion) based upon other relevant factors, such as the following: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position, or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, such allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the accounts from the allocation, and the transactions may be executed on a pro rata basis among the remaining accounts; and (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Personal Trading Practices

IARs may buy or sell the same securities for clients at the same time they buy or sell such securities in their own accounts. IARs may also combine their orders to purchase securities with client orders to purchase securities (i.e., block trading).

A conflict of interest exists in such cases because IARs have the ability to trade ahead of clients and potentially receive more favorable prices than clients will receive. To mitigate this conflict of interest, it is SPC's policy that

the IARs assigned to your account shall not have priority over your account in the purchase or sale of securities. This policy is enforced by reviewing Associated Person trades to determine whether any Associated Person (i) profited from trading ahead of his or her clients, or (ii) received more favorable pricing than clients on same-day market trades. Associated Persons are not permitted to retain any profits from such activities.

On occasion, SPC invests a portion of its cash assets in securities in order to achieve a potentially higher rate of return than money market mutual funds can provide. A conflict of interest exists in such cases because SPC has the ability to trade ahead of clients and potentially receive more favorable prices than clients will receive. To mitigate this conflict of interest, SPC has imposed certain controls. First, the back-office staff with authority to place such trades is limited to a handful of individuals, the majority of which are corporate officers who do not have client relationships and do not manage client accounts on a discretionary basis. Second, the lone individual with trading authority who is an IAR and has client relationships is prohibited from purchasing or selling the same security (or securities) in both SPC's account and client accounts on the same day.

Political Contributions

To avoid potential conflicts of interest associated with political contributions, especially with respect to clients that are government or municipal entities, we limit our IARs' political contributions to the lower *de minimis* amount under Rule 206(4)-5(b)(1) of the Act. Currently, this amount is limited to \$150 for any one official per election.

Review of Accounts

IARs are expected to conduct internal portfolio reviews no less than quarterly, or more frequently as needed, based upon individual circumstances and the nature and/or complexity of the portfolio. Internal reviews may also occur as a result of market conditions, significant new account deposits or withdrawals, upon request, or as otherwise determined by the IAR. We request that clients meet with their IAR at least annually to ensure the investment plan/strategies continue to be aligned with the client's stated individual needs, goals, objectives, time horizon, and risk tolerance. However, clients are obligated to promptly inform us of any change in their financial condition or circumstances.

As explained above, you will have access to quarterly reports analyzing the performance of your Axis Program account. These quarterly reports track the performance of your account, including against risk-based comparative indices or benchmarks, in order to assist you, SPC, and your IAR in the ongoing evaluation of your account. Quarterly reports will be made available to you exclusively on an electronic basis. SPC relies upon third-party custodians and vendors to provide pricing and valuation data for the purpose of generating quarterly reports, and SPC does not verify the values and prices provided by these third parties. Reasonable efforts are made to obtain data which SPC believes is accurate, and consequently quarterly reports are provided for informational purposes only. Any quarterly reports provided by SPC should be compared against the account statements provided by the Custodian, and if discrepancies exist, the official statements presented by the Custodian (and not the quarterly report) should be deemed correct.

Valuations

Generally speaking, valuations pose potential conflicts of interest for investment advisers because (1) a higher valuation of assets under management usually translates into a higher advisory fee and inflated performance figures, and (2) some securities are difficult to value. However, SPC does not custody your assets and therefore relies upon reputable third-party custodians (e.g., the Custodian) and vendors to provide accurate pricing and valuation data for the securities and assets that we manage, including for the purpose of calculating advisory fees and generating quarterly reports. While SPC believes the pricing and valuation information it receives is accurate, SPC does not actually verify such data for accuracy or completeness. As SPC is not the custodian, SPC is not liable for any damages due to inaccurate data.

Cybersecurity

SPC and its broker-dealer affiliates have relationships with various vendors and service providers that store, or have access to, confidential and sensitive client information. Such vendors include, but are not limited to, technology companies that provide us with account aggregation software, account statement software, risk tolerance software, and electronic document storage. When negotiating contractual agreements with such third parties, we seek to ensure that provisions are included that require the service provider to abide by industry standard safeguards in securing confidential and sensitive information. We exercise appropriate and effective

oversight of service provider arrangements in accordance with Regulation S-ID (17 C.F.R. § 248.201(e)(4)), and we safeguard the client information in our possession or under our control in accordance with Rule 30 of Regulation S-P (17 C.F.R. § 248.30).

Privacy Policy

SPC has prepared a privacy policy in accordance with Regulation S-P (17 C.F.R. § 248.1 *et seq.*). This document describes, in summary fashion, how SPC handles and protects clients' personal information. The privacy policy is included with SPC's account opening documents and is also publicly available on our website (www.spc4clients.com).

Client Referrals

Separate from the Platform, our IARs may refer clients to a TPIA for which we act as a promoter. Consistent with Rule 206(4)-1 of the Act, SPC and its IARs receive referral compensation from such TPIAs in our role as a promoter whenever clients decide to utilize the recommended TPIA's services. Such compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of such TPIAs to clients instead of other TPIAs with which we do not have an agreement. SPC addresses this conflict of interest through disclosure and by reviewing each recommendation to open a TPIA account, along with the recommendation to fund the account with the proceeds from liquidated investments, to ensure that the proposed course of action is suitable. Clients are not obligated, contractually or otherwise, to utilize the services of any TPIA that we or an IAR recommend.

From time to time, we may elect to utilize promoters for the purpose of obtaining client referrals to our firm. The promoters we utilize typically include (1) employees of financial institutions such as banks and credit unions, and (2) professionals such as Certified Public Accountants, Enrolled Agents, and attorneys (collectively, "Promoters"). In order to receive a cash referral fee from our firm, Promoters must comply with the requirements of the jurisdiction in which they operate. If you were referred to our firm by a Promoter, you should have received a copy of our Form ADV brochures along with the Promoter's disclosure statement at the time of the referral. If you become a client, the Promoter that referred you to our firm will receive a percentage of the advisory fee for as long as you remain a client with our firm or until such time as our agreement with the Promoter terminates. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Promoter are contingent upon your entering into an advisory agreement with our firm. Therefore, a Promoter has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Promoters that refer business to more than one investment adviser have a financial incentive to recommend advisers with more favorable compensation arrangements.

We do not utilize or compensate Promoters in connection with referrals involving clients that are retirement plans.

Compensation to Associated Persons

Payout Grids

Each IAR's "total production" is calculated by aggregating his or her annual compensation from (1) promoter referral fees and providing advisory services through SPC; and (2) selling securities and qualifying annuities through SFC or Parkland, our broker-dealer affiliates. An IAR's total production determines his or her payout percentage under our payout grid. (A "payout grid" uses an escalating series of payout percentages according to which the percentage compensation paid to the IAR increases at certain predetermined thresholds.) By using an escalating payout grid with IARs, we attempt to avoid transmitting firm-level conflicts to IARs by setting the payout percentage thresholds according to neutral factors. That is, our payout grid is prospective in nature, rather than retroactive, employing gradual increases, and is not tied to how lucrative different investments are for the firm. Payout percentages are determined solely according to total production and without regard to specific investments or categories of investments. However, certain IARs, including, but not limited to, some home office employees who also work as financial advisors, have negotiated increased payout percentages. These exceptions are granted in the sole discretion of SPC's executives on a case-by-case basis.

Top Producer Conference

Each year, representatives whose total production exceeds a predetermined threshold (i.e., “top producers”) are invited to attend an annual Top Producer Conference event. This multiday conference is typically held at a resort hotel located in a desirable vacation destination, and costs of travel, lodging, transportation, and meals are paid for by SPC, SFC, and Parkland. While the conference does have an educational component, much of the time is spent on recreational activities, making this conference a reward for top producers. This creates a conflict of interest, as IARs have a financial incentive to qualify for the conference by increasing their total production through charging higher advisory fees and recommending additional sales of securities and annuity products.

In addition to disclosure, SPC mitigates this conflict of interest in two ways. First, the qualifying production level is not announced in advance; the threshold is only disclosed after the fact at the conference. Second, SFC, Parkland, and SPC each review their representatives’ recommendations to ensure that the proposed course of action is suitable and consistent with industry standards. Finally, you are under no obligation to purchase securities or insurance products through SFC or Parkland, just as the fees you pay for our advisory services are negotiable.

Forgivable Loans and Bonuses

Our affiliated broker-dealers, SFC and Parkland, typically offer new registered representatives either a bonus or a forgivable loan in order to help defray their transition expenses. The amount of such bonus or forgivable loan, including whether such compensation will even be offered in the first place, is determined by such factors as the individual’s regulatory history, past total production at the prior firm, and ongoing contractual commitments (e.g., non-solicitation agreements). We are disclosing this compensation because such representatives often choose to associate with SPC as well.

In certain circumstances, we will provide new IARs with either a bonus or a forgivable loan in order to help defray their transition expenses. The amount of such bonus or forgivable loan, including whether such compensation will even be offered in the first place, is determined by such factors as the individual’s regulatory history, past total production at the prior firm, and ongoing contractual commitments (e.g., non-solicitation agreements). Furthermore, we will occasionally provide current IARs with a bonus or forgivable loan to ameliorate the negative economic impact of a change in SPC’s business policies or operations (e.g., passing along an additional cost to the IAR). The decision whether to offer such compensation is made solely in the discretion of SPC’s management, based upon the IAR’s prior history with SPC, and the amount of such bonus or forgivable loan ordinarily will not exceed the estimated cost of such negative economic impact. The forgiveness of such bonus or forgivable loan (i.e., the avoidance of any repayment obligation or cancellation of indebtedness) is contingent upon the IAR remaining affiliated with SPC for a stated period of time. For example, with a five-year forgivable loan, approximately one-fifth of the principal will be forgiven each year on the annual loan anniversary, and the entire loan will be forgiven after five years. Generally speaking, a bonus or forgivable loan creates a conflict of interest for IAR recipients, as the IAR has a financial incentive to maintain his or her relationship with SPC so he or she can receive forgiveness for the bonus or loan. SPC mitigates the client impact of bonuses and forgivable loans by not imposing any additional forgiveness terms, such as annual or minimum production requirements.

Succession Plans

We assist our IARs by facilitating succession plans that involve transitioning a book of business from one IAR (the “seller”) to another (the “buyer”). Such transitions often occur when the seller wishes to retire from the industry and “hand off” his or her client accounts (or “book of business”) to the buyer. By assisting with such succession plans, we can help ensure that clients do not experience an interruption in service and also avoid a potential decrease in our overall assets under management due to client attrition. Because the seller will reap an additional profit from monetizing his or her client relationships, and will select a buyer based upon financial considerations rather than in a purely disinterested manner, such transitions naturally create a conflict of interest involving potential self-dealing. We address this conflict of interest through disclosure and by reviewing IARs’ transition agreements.

Non-Forgivable Personal Loans

Our affiliated broker-dealers, SFC and Parkland, will occasionally offer existing registered representatives a non-forgivable personal loan, at an interest rate that meets or exceeds the Applicable Federal Rate at the time of

the loan, in order to assist such individuals with legitimate business matters, such as expanding their financial practices (e.g., purchasing another representative's book of business). The amount and the terms of such non-forgivable loans are determined by such factors as the individual's regulatory history and prior experience with the firm. We are disclosing this compensation because such representatives are often associated with SPC as well. In certain circumstances, we will provide IARs with a non-forgivable loan for similar legitimate business reasons.

Sponsor Fee Sharing

At the discretion of senior management, SPC may elect to remit a portion of the Sponsor Fee to certain IARs for strategic or other business reasons. This creates a conflict of interest, as these IARs have an incentive to recommend that clients open or remain in an Axis Program account in lieu of other advisory programs or investments held in a brokerage account or other buy-and-hold investments that could be more suitable for clients. We address these conflicts of interest through disclosure and by reviewing each recommendation to open an Axis Program account, along with any recommendation to fund the account with the proceeds from liquidated investments, to ensure that the proposed course of action is suitable and consistent with our duties of care and loyalty. We also conduct ongoing reviews to ensure that the Axis Program account remains appropriately managed and is a suitable account type for the client.

Other Compensation

Securities

IARs providing investment advice on behalf of SPC generally are registered representatives with either SFC or Parkland. In their capacity as registered representatives, these individuals receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products (i.e., mutual funds). Compensation earned by these individuals in their capacities as registered representatives is separate from and in addition to our advisory fees. This practice presents a conflict of interest, because IARs providing investment advice on behalf of SPC who are also registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. SFC and Parkland address this conflict by reviewing such transactions for adherence to applicable FINRA suitability or SEC Regulation Best Interest standards, the requirements of applicable state and federal securities laws, and applicable fiduciary standards under state and federal law. You are under no obligation to buy or sell securities or investment products through SFC, Parkland, or any person affiliated with SPC.

Insurance

SFC and Parkland are licensed insurance agencies with various state insurance regulators, and many IARs are also licensed as independent insurance agents with the ability to sell certain annuity contracts and insurance policies and products (e.g., life insurance, health insurance, and long-term care insurance). Such insurance agents will earn sales commissions from selling annuity contracts and insurance policies and products, including each time a client purchases a new annuity contract or exchanges an existing annuity contract for a new annuity contract. In addition, such insurance agents ordinarily have the opportunity to receive additional cash and non-cash compensation (1) from third-party field marketing organizations ("FMOs") or insurance marketing organizations ("IMOs"), as a result of routing insurance product transactions through such FMOs or IMOs; and (2) from insurance companies, if certain annual sales targets or sales levels involving non-qualified assets are met, which are sometimes referred to as "loyalty programs." Such cash compensation received from FMOs, IMOs, and insurance companies can include bonus payments, bonus commissions, incentive payments, and other additional compensation above and beyond standard sales commissions. Such non-cash compensation can include, but is not limited to, free or paid attendance at industry conferences held at luxurious locations, expense reimbursements, and free marketing services such as designing, developing, and maintaining websites, sending blast emails to clients, preparing and reviewing marketing materials, creating a company brochure, social media advertising, developing marketing strategies, and other Additional Non-Cash Compensation (defined below). Finally, SFC and Parkland receive compensation in connection with the sale of fixed annuities, indexed annuities, variable annuities, and variable universal life insurance. Insurance commissions earned in this manner are separate from, and in addition to, our advisory fees.

Unlike with an asset-based annual advisory fee that fluctuates with the stock market, an insurance commission is received up-front each time an agent sells, or a client exchanges, an annuity contract or other insurance policy or product. The commission received for selling an annuity contract is typically captured immediately and often dwarfs the compensation provided by recommending other investments, including the annual asset-based advisory fee earned in return for managing investments on an advisory basis. Consequently, the sale of annuity contracts and insurance policies and products presents a conflict of interest, because IARs providing investment advice on our behalf who are licensed insurance agents have an incentive to recommend to clients the annuity contracts and insurance policies and products of insurers, and to utilize the services of FMOs or IMOs, that will generate the greatest possible amount of sales commissions and cash and non-cash compensation, rather than making financially disinterested recommendations that are solely based on clients' needs and in their best interest. SFC and Parkland address this conflict by reviewing fixed annuity, indexed annuity, variable annuity, and variable universal life insurance transactions for adherence to applicable FINRA suitability or SEC Regulation Best Interest standards, the requirements of applicable state and federal securities laws, applicable state insurance laws, and applicable fiduciary standards under state and federal law. You are under no obligation to purchase or exchange an annuity contract, or to purchase an insurance policy or product, through SFC, Parkland, or any person affiliated with SPC.

Unit Investment Trusts

Unit investment trusts ("UITs") are typically offered in a single public offering and hold a fixed portfolio of securities for a specific period of time, after which the UIT terminates and the proceeds are distributed to UIT investors. Interests in any particular UIT are often sold with multiple fee structures. For instance, UITs are often offered with one fee structure intended for broker-dealer customers and another structure intended for investors who will hold the UIT in a fee-based advisory account. The broker-dealer fee structure may include significant sales charges that are not charged to purchasers under the fee-based account structure. Most of these sales charges are ultimately paid to the broker-dealer that executes the trade. Because many IARs are dually registered with SPC's affiliated broker-dealers (SFC and Parkland), we are disclosing that IARs have a financial incentive to recommend purchases of UIT interests under the fee structure that generates more revenue for the IAR. SFC and Parkland address this conflict of interest by reviewing such transactions for adherence to applicable FINRA suitability or SEC Regulation Best Interest standards, and we address this conflict of interest through disclosure and by reviewing such transactions for consistency with applicable fiduciary standards under state and federal law. You are under no obligation to buy or sell UITs through SFC, Parkland, or any person affiliated with SPC.

Outside Business Activities

Many IARs are involved in other outside business activities ("OBAs") unrelated to their association with SFC, Parkland, or SPC. Depending on the circumstances, your IAR's OBAs can create conflicts of interest, either because of the additional compensation that the OBAs provide or because of the time that they require. Your IAR's OBAs, if any, are described in your IAR's Form ADV Part 2B brochure supplement and, if your IAR is also a registered representative, his or her FINRA BrokerCheck report which is available online at www.finra.org/brokercheck.

If an IAR operates their financial services practice or engages in an OBA using a trade name or "doing business as" ("DBA") name, the IAR must disclose that such entity or enterprise is independent of SPC, as neither SPC nor your IAR conducts advisory business under any such trade name or DBA name. All investment advisory services are offered and provided by your IAR solely through SPC.

SPC Strategic Partnership Program

SPC has created a "strategic partnership program" that is available to interested TPIAs. This program consists of four partnership structures at increasing partnership fee levels—Basic, Executive, Premier, and Elite—that offer benefits which increase with each level. Depending on the level, such benefits can include, but are not limited to, joint reviews and planning sessions between key personnel of SPC and the TPIA, sharing of IAR mailing lists and contact information, the ability to provide education and training for our IARs, co-branded email campaigns, presentation opportunities at corporate conferences, and access to virtual events throughout the year.

In all cases, the partnership fee that SPC receives is a flat dollar amount. However, the partnership fees can vary from TPIA to TPIA based upon the partnership structure selected by the TPIA. These partnership fees present a conflict of interest by creating an incentive for SPC to steer clients and IARs toward participating TPIAs over non-participating TPIAs and other advisory services by promoting, touting, and otherwise favoring participating TPIAs in SPC's communications and marketing efforts. Furthermore, the fact that these fees can differ in amount from TPIA to TPIA presents a conflict of interest by creating an incentive for SPC to steer clients and IARs toward participating TPIAs that pay more to SPC than others that do not. SPC addresses these conflicts of interest through disclosure and by reviewing each recommendation to open a TPIA account, along with the recommendation to fund the account with the proceeds from liquidated investments, to ensure that the proposed course of action is suitable.

Please note that our IARs do not receive any portion of the partnership fee payments that SPC receives from TPIAs. All partnership fees are remitted by the TPIA directly to SPC and are not derived from client funds or assets. For more information about the strategic partnership program, including the TPIAs who participate as well as the amounts of partnership fees SPC receives from them, please review the Revenue Sharing Disclosure posted on the www.spc4clients.com website.

TPIAs and Additional Revenue

Some of the TPIAs available through the Platform have also entered into a direct relationship with SPC. As a result, IARs have an incentive to recommend the more lucrative access option (i.e., direct versus Platform) to clients. SPC addresses this conflict through disclosure and by ensuring that it does not intentionally direct or incentivize IARs to favor one access option over another.

In certain circumstances, a TPIA will be permitted to reimburse an IAR for, or cover the expense of, reasonable costs incurred in connection with (1) conducting a client seminar and/or presentation involving the TPIA's services; (2) obtaining an approved professional designation; (3) enrolling in training, education, or conference events related to financial planning, practice management, portfolio management, client growth and retention, and similar topics; (4) website design, email marketing, video marketing, social media marketing, and client newsletters; or (5) obtaining CRM software, account aggregation software, and financial planning software, including computerized financial technology tools related to portfolio analysis, portfolio management, investment research, risk tolerance analysis, and plan fiduciary analysis (collectively, "Additional Non-Cash Compensation"). Such reimbursement presents a conflict of interest, as IARs have a financial incentive to recommend TPIAs that provide higher levels of expense reimbursement. SPC has implemented procedures to mitigate this conflict. First, reimbursement is only permitted with prior approval from a member of SPC's compliance staff, and the amounts reimbursed are limited to actual and reasonable expenses incurred by the IAR for (1) renting a venue and providing a meal, in the case of seminars and presentations; (2) software subscriptions; (3) website design and marketing costs; (4) professional designation tuition, textbooks, and exam fees; and (5) customary costs of training, education, or conference attendance, including tuition, textbooks, personal travel, lodging, and meals. Second, in the case of an expense reimbursement, the TPIA must remit the reimbursement funds directly to SPC, which then distributes the funds to the IAR. Finally, the reimbursement amount cannot be conditioned or based on the IAR placing a fixed or predetermined amount of client assets, or generating a threshold level of revenue, with the TPIA during a limited period of time.

In addition, TPIAs may choose, at their own discretion, to provide certain of our IARs with one or more of the following non-cash benefits: (1) invitations to summits, networking events, and workshop retreats; (2) business management, business development, and growth support; (3) business consulting; (4) training webinars; (5) office visits and business discovery; (6) better or more timely service experiences; (7) designated or specialized relationship managers; (8) account transition assistance; and (9) access to other business resources and tools. Ordinarily, a TPIA elects to provide these non-cash benefits to IARs who place significant amounts of client assets with the TPIA. These non-cash benefits present a conflict of interest, as IARs have a financial incentive to recommend TPIAs that provide higher levels of such benefits over TPIAs that do not. SPC addresses this conflict of interest through disclosure and by reviewing each recommendation to open a TPIA account, along with the recommendation to fund the account with the proceeds from liquidated investments, to ensure that the proposed course of action is suitable.

Custodian Compensation

The Custodian is the sole custodian that we utilize for Axis Program accounts. SPC has negotiated account pricing options and service fees for client accounts custodied by the Custodian. These items were determined based upon the current and expected type and amount of business SPC conducts with the Custodian. You should carefully evaluate the Custodian's costs and services before opening an account.

The Custodian pays for and provides us with technology platforms and other software in order to enable us (and our IARs) to access the Custodian's brokerage system and streamline our business operations. These systems aid us in providing service to client accounts and include software that makes available client account data, facilitates trade execution, allocates aggregated trade orders, facilitates payment of fees from client accounts, and assists with back-office functions such as record-keeping and client reporting. As a result of these benefits, SPC has significant incentives to select the Custodian to continue providing custodial services for those accounts.

The Custodian also offers other services intended to help SPC manage and further develop its advisory business. Such services include, but are not limited to, performance reporting software, financial planning software, contact management systems, third-party research, and investment-related publications, as well as access to educational conferences, roundtable discussions, webinars, practice management resources, consultants, and other third-party service providers who offer a wide array of business-related services and technology with whom SPC can contract directly. The Custodian additionally provides investment research to help IARs make well-informed investment decisions for client accounts.

These services, as well as any other services that the Custodian provides to SPC, are often provided for free or at a discount. The terms of any agreements between the Custodian and SPC may be better or worse than the terms that the Custodian offers to other investment advisers. SPC's ability to negotiate more favorable terms depends upon the type and amount of business that SPC conducts with the Custodian, including the amount of client assets held in client accounts during a certain timeframe. It is possible that some or all of the products and services the Custodian offers to SPC will not directly benefit you.

The Custodian assists SPC in certain marketing activities. This includes, but is not limited to, providing marketing materials, co-sponsoring client events, and engaging in joint marketing programs. The Custodian also assists IARs in joining the Custodian's platform and in some cases may, at its sole discretion, pay or waive account transfer fees or other charges that clients would otherwise ordinarily incur when changing custodians or service providers. On occasion, the Custodian makes direct payments to SPC for items such as reimbursing SPC or an IAR for reasonable travel expenses incurred in connection with traveling to a sponsored event, including to assess the Custodian's business practices and operations.

We receive certain added benefits when clients utilize the Custodian to custody their accounts. Such benefits include research, the ability to deduct our advisory fees from clients' accounts, discounts on periodicals or other published materials, complimentary business and compliance newsletters, and various other non-cash services. Additionally, we receive the following benefits from the Custodian: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its investment adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

We also receive from the Custodian, without cost to us, computer software and related systems support which allow us to better monitor client accounts maintained at the Custodian. We receive the software and related support without cost because we render portfolio management services to clients who maintain assets with the Custodian. The software and related systems support benefit us but do not directly benefit our clients. We endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of these economic benefits from the Custodian creates a conflict of interest. In particular, these benefits influenced us to select the Custodian as our custodian over other broker-dealers that do not furnish similar software, systems support, or services, and also influence us to continue our relationship with the Custodian. SPC addresses this conflict of interest through disclosure and by periodically reviewing its relationship with the Custodian to ensure that it is in clients' best interests and that clients are receiving best execution.

Other Compensation

Various vendors, product providers, TPIAs, FMOs, distributors, and other third parties provide SPC and its IARs with Additional Non-Cash Compensation, including by paying expenses related to training and education such as the expenses of travel and acquiring professional designations, but excluding rewards, purchase points, and travel credits. We also occasionally receive payments from such entities to subsidize our own internal training programs. Additionally, certain vendors invite us to participate in conferences, seminars, or online training and also provide us with access to publications that further IARs' and employees' skills and knowledge. Finally, such entities occasionally provide us with gifts, meals, and entertainment of reasonable value consistent with industry rules and regulations. These benefits create a conflict of interest, and we are disclosing this additional non-monetary compensation in fulfillment of our duty of loyalty. SPC does not permit IARs to participate in TPIA sales contests that award prizes, or TPIA programs that provide cash or non-cash compensation, based upon the volume of client assets placed with the TPIA.

It is our policy, however, to not accept additional compensation (monetary or non-monetary) from the Custodian or a vendor, product provider, distributor, TPIA, or other third party when such compensation is tied to, or calculated based upon, amounts invested by an ERISA-covered plan to which an IAR provides ERISA fiduciary services. Any non-monetary compensation received in connection with the delivery of services to an ERISA-covered plan (e.g., from the Custodian, a plan record-keeper, custodian, etc.) will be separately disclosed to such plan, when applicable.

Advertising

SPC advertises its advisory services in compliance with Rule 206(4)-1 under the Act. Specifically, IARs are permitted to disclose their affiliation with SPC in communications with the public and to list the advisory services they provide through SPC. However, IARs are not permitted to advertise investment performance or share hypothetical performance with clients or prospective clients. In addition, if an IAR operates their financial services practice using a trade name or DBA name, the IAR must disclose that such entity or enterprise is independent of SPC, as neither SPC nor your IAR conducts advisory business under any such trade name or DBA name. All investment advisory services are offered and provided by your IAR solely through SPC.

Policies and Procedures

In accordance with Rule 206(4)-7 under the Act, SPC has adopted and implemented written compliance policies and procedures reasonably designed to prevent violation, by SPC and its Associated Persons, of the Act and the rules promulgated under the Act.

Financial Information

SPC does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. SPC does not take physical custody of client funds or securities, nor does SPC serve as a trustee or signatory for client accounts. Additionally, SPC does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. Therefore, we are not required to include a financial statement with this brochure.