

# LPL FINANCIAL LLC (LPL) RELATIONSHIP SUMMARY

Effective March 31, 2022

LPL (referred to as “we” or “us”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. We have a network of financial professionals (“Professionals”) who offer brokerage and investment advisory services. Brokerage and investment advisory services, and the fees we charge for them, differ, and it’s important that you understand the differences. This relationship summary will

explain the various services we offer, how we charge for those services, and conflicts of interest that exist when we provide our services. To help you research firms and financial professionals, you can access free and simple tools at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Our Professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each Professional generally provides access to a range of investment products, such as stocks, bonds, exchange-traded funds (ETFs), mutual funds, annuities, and alternative investments. Please note that the range of investment options available to you may be limited depending on the licenses your Professional holds or if he or she is located at a financial institution that does not offer certain options. Your Professional or account program may also have specific

requirements, such as account or investment minimums. We encourage you to ask your Professional whether any investment limitations or account requirements apply.

If your Professional offers you both brokerage and advisory services, your Professional will inform you when he or she offers an investment recommendation or advice, and whether the recommendation or advice is part of a brokerage or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### Brokerage Services

- Brokerage services include taking your orders and executing your securities transactions; making recommendations for you to buy, sell, or hold securities; and holding your securities for safekeeping (known as having “custody” of your securities).
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We also have a program available through a limited number of financial institutions in which you make investment decisions on your own without any recommendations from us.
- We don’t monitor brokerage account investments for you, unless we state otherwise in writing.
- We may provide brokerage services (but not investment recommendations) to you if your Professional is providing advisory services through a separate investment advisory firm.

### Investment Advisory Services

- Some of the investment advisory services we offer include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You’ll typically grant us discretion to buy and sell investments in your account without asking you in advance. You may limit our discretion, such as by imposing reasonable restrictions on investing in certain securities or groups of securities. In other investment advisory accounts, you grant investment discretion to another financial institution.
- Some of our investment advisory accounts are nondiscretionary, which means you are required to preapprove each investment transaction that we recommend.
- We’ll typically monitor accounts, and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in limited-scope consulting or advisory relationships, we won’t provide ongoing monitoring.

**More detailed information** about our advisory services can be found in the [Form ADV for your advisory program](#). Detailed information about our brokerage services can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

### 🔗 **Questions to ask your Professional:**

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

## What fees will I pay?

Investing is an individual journey, and we want to provide you with options. Below we outline the fees you could be charged for both brokerage and advisory accounts depending on your investment

choices. Fee Schedules for our brokerage and advisory programs can be found [lpl.com](http://lpl.com).

### **Fees Associated with Brokerage Services**

- For brokerage services, we charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. The more trades you make, the more transaction-based fees we earn. This creates an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based on how long you hold the investment. Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### **Fees Associated with Investment Advisory Accounts**

- For investment advisory services, we typically charge an ongoing quarterly fee (sometimes referred to as an asset-based fee). This fee is a percentage of the value of your account. You pay this fee even if you don't buy or sell investments. The more assets you have in an asset-based fee account, the more you'll pay us in fees. This creates an incentive to encourage you to increase the size of your account, including by transferring or rolling over assets from other accounts. For some types of accounts, there is a per transaction charge in addition to an asset-based fee. We may also charge an hourly fee or fixed fee for additional services such as financial planning and consulting services that are of limited duration or nature.
- For wrap fee program accounts, you will pay us a single asset-based fee for advisory services. This fee also covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay to your Professional is generally negotiated with him or her directly, and subject to different maximums, depending on the advisory program selected.

### **Other Fees and Costs**

If applicable to your account, we'll charge you directly for other fees in addition to brokerage commissions and advisory fees, including: (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for

administration of alternative investments or for foreign securities. See the Fee Schedules for our brokerage and advisory programs at [lpl.com](http://lpl.com) for more information. You should understand that these fees are not charged by us if your investment is in an account that is held directly with the sponsor, and not in an LPL investment account.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in [Third-Party Payments](#). Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals.

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

information on our advisory fees can be found in the [Form ADV for your advisory program](#). Detailed information on our brokerage fees can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document. If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

---

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

*When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Professional.*

### Third-Party Payments

We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and then pays to us. We also receive fees from investment products and/or their sponsors for recordkeeping and other administrative services we provide in relation to your investments. In some accounts we offer, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. We receive fees for your participation in these “cash sweep” programs from the banks sponsoring the programs. The fees we receive are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for LPL if you maintain a cash balance in your account. [Revenue sharing payments](#) are another type of third-party compensation we receive from sponsors who participate in our marketing programs. These programs support our product marketing to our Professionals and for education and training efforts, and facilitate communications between sponsors and our Professionals. Finally, certain sponsors pay us to make their investment products available on our platform. Because we receive

payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in the [Third-Party Compensation and Related Conflicts of Interest](#) document on [lpl.com](http://lpl.com).

### Principal Trading

In brokerage accounts, we sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts (UITs), or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In advisory accounts, purchases of mutual funds, UITs, or alternative investments may be processed through our proprietary account, but we do not receive a markup or markdown in these trades. Also, in certain advisory accounts where a third-party investment advisory firm has discretion, we trade as principal and receive a markup or markdown.

Detailed information on our conflicts of interest can be found in the [Form ADV for your advisory program](#) and in [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

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

## How do your financial professionals make money?

Our Professionals are primarily independent contractors, although a portion are employees or employees of an affiliated company. The agreement between each Professional and LPL sets out the payments we make to them. Those who provide investment advisory services receive a portion of the advisory fee you pay. Professionals who provide you brokerage services receive a portion of the commissions or markups/markdowns from your trades. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently. We also compensate Professionals based on production, including payments based on the amount of client assets they service and the products they sell. In addition, our Professionals receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. Although your Professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

Our Professionals may receive compensation from us in other ways, including:

- Transition assistance if he or she moves to LPL from another company. This assistance can include forgivable loans, advance payment of advisory fees, and/or waiving or reducing other

costs associated with transitioning the Professional's business. This assistance creates an incentive to migrate and maintain business on our platform from another investment platform, and to sell or recommend the sale of investments held in an account if we do not offer those investments.

- Waived or reduced costs and fees (e.g., for administrative services that we provide for your accounts, attending our conferences and events, and free or reduced-cost marketing materials). These waived and reduced costs and fees create an incentive for Professionals to associate with us instead of other financial firms.
- Equity awards in our parent company, LPL Financial Holdings Inc., which give your Professional an incentive to remain with us during the vesting period applicable to his or her stock holdings (the period of time before the stock is unconditionally owned). This also gives the Professional a financial interest in the success of our business.

Your Professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way he or she makes money, including systems to review whether a recommendation is in your best interest. More information on compensation can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for a hyperlink to this document.

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

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research LPL and our Professionals.

### ❏ **Questions to ask your Professional:**

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

## Additional Information

Please visit the [Disclosures page on lpl.com](#) for more information, including a copy of the agreement for the account and/or program you are considering, the Form ADV Brochure for any advisory program you are considering, detailed information on our brokerage services under [Brokerage Compensation and Related Conflicts of Interest](#), and more information regarding our brokerage and advisory programs under [Third Party Compensation and Related Conflicts of Interest](#).

Please visit the [Investor Regulatory & Educational Resources page](#) on [lpl.com](http://lpl.com) to learn more about how to determine your investment objective and risk tolerance, among other items.

We are affiliated with other investment firms. If your Professional works with Fortigent, LLC, you can find the relationship summary for that firm at [lpl.com/fortigent.html](http://lpl.com/fortigent.html). More information on our affiliations can be found in the [Form ADV for your advisory program](#).

If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to cross-referenced documents.

**To request up-to-date information or a copy of this relationship summary, please call us at (800) 558-7567.**

We also encourage you to review the general information provided by the U.S. Securities and Exchange Commission regarding investing, choosing an investment professional, and related considerations, available by visiting [Investor.gov](http://Investor.gov).

### ❏ **Questions to ask your Professional:**

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

## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS (PWP) ACCOUNT AGREEMENT

This Account Agreement ("Agreement") is entered into by and among LPL Financial LLC ("LPL"), a registered investment advisor and broker/dealer, the registered investment advisor firm indicated in Section V of the Account Application attached hereto ("Advisor"), and the client indicated in Section I of the Account Application ("Client"), pursuant to which Client will open an account ("Account") with LPL and Advisor for the purpose of participating in the Personal Wealth Portfolios Program ("Program") through which Advisor and LPL as investment advisors will purchase and manage specified assets of Client. Notwithstanding any other provision of this Agreement to the contrary, the advisory services to be provided under this Agreement by either LPL or Advisor shall not begin until your Account paperwork has been accepted by LPL at its home office as being in good order. LPL's acceptance of the Account will generally occur within 15 business days, but can take longer in certain circumstances, from the day completed paperwork is received by LPL. A description of the services to be provided and the parties providing the services are set forth below.

### 1. PERSONAL WEALTH PORTFOLIOS PROGRAM

Under the Program, Client authorizes Advisor on a discretionary basis to select a model portfolio ("Portfolio") from asset allocation model portfolios designed by LPL. Advisor will then select third party investment advisors ("PWP Advisors") who will provide investment models to LPL, mutual funds or exchange-traded funds ("ETF") within each asset class of the Portfolio in which to invest consistent with the investment objective chosen by Client. Client will also authorize LPL or PWP Advisors on a discretionary basis to purchase and sell mutual funds, ETFs, closed-end funds ("CEFs"), exchange-traded notes ("ETNs") and equity and fixed income securities, and to liquidate previously purchased securities.

Advisor will obtain the necessary financial data from Client, assist Client in determining the suitability of the Program and assist Client in setting an appropriate investment objective. Advisor will initiate the steps necessary to open an Account. Client understands that the investment objective selected for the Account in the Account Application is an overall objective for the entire Account and may be inconsistent with a particular holding and the Account's performance at any time. Client understands that achievement of the stated investment objective is a long-term goal for the Account.

During any month that there is activity in the Account, Client will receive a monthly account statement showing Account activity as well as positions held in the Account at month-end. If Client so elects in the Account Application, Client will not receive a confirmation of the transactions that occur within the Account, but confirmation details for the transactions will be displayed on the monthly brokerage statement. Clients may request to receive confirmation statements by contacting Advisor, and may rescind the election at any time upon written notice to LPL. LPL will provide to Advisor, and if so directed by Advisor, will provide to client, annual performance information describing Account performance. By signing the Account Application, you authorize LPL to combine statements as instructed by you through Advisor and understand that such instructions will mean that LPL will share your account information with members of the combined group. LPL will confirm such instructions after receipt of the request.

The minimum Account size is \$250,000. In certain instances, LPL will permit a lower minimum account size. Client may make cash additions to the Account at any time in any amount, but such deposits may remain in cash until certain conditions are met, including conditions related to trade size and position deviation from the target allocation. If previously purchased securities are deposited and subsequently liquidated (i.e., because they are not included as investments in the selected Portfolio), the cash proceeds from such liquidation will be invested in the same manner as described for cash additions. LPL may accommodate requests for all or a portion of the assets in the Account to remain unallocated allocated to cash for a period of up to 45 days. After the expiration of that time period, LPL will reinvest the Account according to the model portfolio selected. Such customized requests and changes to and withdrawals from the Portfolios selected may take up to 5 days to process, and, in certain circumstances, may take longer.

Client may withdraw Account assets upon notice to Advisor, subject to Section 9 below. In the event Client withdrawals cause the Account asset value to fall below the required minimum, Client understands that this Agreement may be subject to immediate termination under the provisions of Section 9. Client understands that the Program is designed as a long term



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

investment program and that asset withdrawals (or requests to allocate all or a portion of Account assets into cash) will affect the performance of the Account.

LPL and Advisor each reserve the right to accept or reject this Agreement in its sole discretion and for any reason.

Associated persons of Advisor may also be broker-dealer registered representatives of LPL. If an associated person of Advisor is a broker-dealer registered representative of LPL, that person is not acting in a brokerage capacity or on behalf of LPL in any way with respect to the services provided under this Agreement.

#### 2. APPOINTMENT OF THIRD PARTY ADVISOR

Client hereby appoints Advisor as Client's third party advisor to handle the Account in accordance with the terms set forth in Section 1 above. An Account will be deemed activated only upon LPL's receipt of notification that Advisor has accepted the Account.

#### 3. APPOINTMENT OF LPL AS OVERLAY PORTFOLIO MANAGER

Client hereby appoints LPL to act as Overlay Portfolio Manager ("OPM"). As OPM, LPL receives from each PWP Advisor a model portfolio of securities ("Model"). Except as described below for municipal security Models, LPL will have full discretion to invest in accordance with the Models provided or to select other investments. For example, LPL may not execute small trades. In addition, it is expected that there will be times when OPM will not be able to invest in specific fixed income securities provided in the Models due to either the illiquid nature of certain issues or certain market conditions. In those circumstances, OPM will attempt to invest in fixed income securities with similar characteristics as those in the Models. For clients in California and New York, if tax-free fixed income securities are selected, the PWP Advisor will attempt to limit the fixed income securities purchased to state-specific, tax free fixed income securities, however, the PWP Advisor may also include non-state specific securities.

Except as described below, Client understands and acknowledges that LPL, and not Advisor or the PWP Advisor, is making the investment decisions for the Account, subject to any restrictions Client may provide as described below.

#### 4. TRADING AUTHORIZATION

Client hereby grants LPL complete and unlimited discretionary trading authorization with respect to the purchase and sale of mutual funds, ETFs, CEFs, ETNs and equity and fixed income securities and the liquidation of previously purchased securities in the Account. If a Portfolio is selected that includes a municipal security Model ("Muni Model"), Client hereby grants the PWP Advisor for that Model complete and unlimited discretionary trading authorization with respect to the purchase and sale of fixed income securities and the liquidation of previously purchased fixed income securities for the portion of the Account invested according to the Muni Model (the "Muni Sleeve"). Although the PWP Advisor has discretion over the Muni Sleeve, LPL has ultimate discretion over the entire Account and reserves the right to exercise discretion over securities in the Muni Sleeve (e.g., to rebalance the Account or to liquidate securities for withdrawal requests). Client hereby appoints LPL, Advisor and the PWP Advisor (in the case of a Muni Model) as agent and attorney-in-fact with respect to such trading authorization. Client authorizes LPL to appoint from time to time other PWP Advisors to take discretion over a portion of the Account managed according to that PWP Advisor's Model.

Client may also provide LPL with written instructions to not purchase certain equity securities, specific industries, specific sectors, and certain pre-defined categories (e.g. "sin" stocks). In the event that client restrictions prevent the investment in certain securities otherwise specified by a PWP Advisor, assets will be invested pro-rata across the remaining securities in the Model. Client understands that such restrictions will not apply to any mutual funds, ETFs or fixed-income securities that may be held in the Account. Client also understands that restrictions placed on the Account can affect the performance of the Account and that the OPM may choose not to accept an Account with restrictions that are inconsistent with the investments chosen by the OPM or as specified by the PWP Advisor. In order to permit trading in a tax-efficient manner, Client further expressly grants LPL, Advisor, or, in certain circumstances, the PWP Advisor the authority to select specific tax lots when liquidating securities within the Account. Other than as described in Section 17, LPL and Advisor are not authorized to withdraw or transfer any money, securities, or property either in the name of Client or otherwise.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

Client understands that PWP Advisors, LPL, Advisor and/or their affiliates perform advisory and/or brokerage services for various other clients, and that each of the parties may give advice or take actions for those clients that differ from the advice given or the timing or the nature of any action taken for the Account. In addition, each of the parties may, but is not obligated to, purchase or sell or recommend for purchase or sale any security which each of the parties or any of their affiliates may purchase or sell for their own accounts or the account of any other client. Client also understands that cash awaiting investment or reinvestment will be invested in a money market mutual fund, ICA or DCA at the discretion of LPL or Advisor and that certain fees and expenses shall be incurred in connection with the money market fund, ICA or DCA, which are in addition to the Account Fee.

Client authorizes LPL in its discretion to aggregate purchases and sales of securities for the Account with purchases and sales of securities of the same issuer for other clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account will be deemed to have purchased or sold its proportionate shares of the securities involved at the average price obtained. For partially filled orders, the OPM will generally allocate trades pro-rata or on some other basis consistent with the goal of treating all clients equitably over time.

Securities held in the Account, which are in "street name" or are being held by a securities depository, are commingled with the same securities being held for other clients of LPL. Client ownership of these securities is reflected in LPL's records. Client has the right at any time to require delivery of any such securities which are fully paid for. The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to the maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by LPL is partially "called", LPL will determine, through a random selection lottery process as prescribed by the Depository Trust Company ("DTC"), the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by Client are selected and redeemed, the Account will be credited with the proceeds. Should Client wish not to be subject to this random selection process, Client must instruct LPL to register and deliver the securities to Client. Delivery will be effected provided that Client's securities are unencumbered or have not already been called prior to the receipt of Client's instructions. If Client takes delivery of the securities, they are still subject to call by the issuer and they will no longer be considered assets in the Account for management purposes. The probability of one of Client's securities being called is the same whether they are held by Client or by LPL for Client. Please refer to the "Marketing & Trading Disclosures" section on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) for LPL's Call Securities Lottery Disclosure. In addition, a detailed description of the random selection procedure is available upon request.

Consistent with the overriding principle of best execution, LPL directs orders in equity securities to exchanges and market makers based on an analysis of their ability to provide rapid and quality executions. In an effort to obtain best execution for equities, LPL may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities).

In no event will LPL be obligated to effect any transaction for Client which it believes would violate any applicable state or federal law, rule or regulation, or the rules or regulations of any regulatory or self-regulatory body.

This trading authorization is a continuing one and shall remain in full force and effect and be relied upon until LPL, PWP Advisor and Advisor have received a copy of a written termination notice, which writing will be deemed to terminate this Agreement effective upon receipt.

#### 5. PROXIES AND CORPORATE ACTIONS

LPL shall be responsible for voting proxies solicited by, or with respect to, the issuers of any securities held in the Account on Client's behalf, unless Client directs otherwise in writing. LPL will vote proxies in accordance with its proxy voting policies and procedures then in effect, which will include engaging one or more third party proxy advisor vendors to make proxy voting recommendations and handle the administrative functions of voting proxies. In the case of voluntary corporate actions, LPL will follow the instructions or default election of the PWP Advisors without reviewing Program clients' individual interests. LPL reserves the right to vote proxies or take corporate actions inconsistent with the recommendations of third party proxy advisor vendors or PWP Advisors, if it determines such actions are in the best interests of Program clients.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

If Client is a plan subject to ERISA (as defined below), LPL shall vote client proxies in accordance with LPL's obligations under ERISA and applicable Department of Labor Regulations. Client may expressly retain the right and obligation to vote any proxies or exercise any voluntary corporate actions relating to securities held in the Account; provided, that Client provides prior written notice to Advisor and LPL.

Advisor will not have any authority to act in any way with regard to proxies or voluntary corporate actions. Neither LPL nor Advisor shall be obligated to render any advice or take any action on behalf of Client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in the Account, or the issuers thereof. Client hereby retains the right and obligation to take action with respect to legal proceedings relating to securities held in the Account.

Client hereby designates LPL, as a broker/dealer and investment advisor, to receive all prospectuses, annual reports, and disclosure statements for mutual funds held in the Account. Client retains the right to rescind this designation by notifying LPL in writing. Client may request mutual fund prospectuses and reports from Advisor.

#### 6. CLIENT AUTHORITY/ERISA AND RETIREMENT ACCOUNTS

If Client is a corporation, the party executing this Agreement on behalf of Client represents that execution of this Agreement has been duly authorized by appropriate corporate action, and the party executing the Agreement has the authority to enter into this Agreement on behalf of corporation.

If this Agreement is entered into by a trustee or other fiduciary, including but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), of (i) an employee benefit plan subject to the fiduciary provisions of ERISA (an "ERISA Plan"), (ii) a "plan" within the meaning of Section 4975(e) of the Internal Revenue Code of 1986 (the "Code"), (iii) any entity whose assets are treated as "plan assets" for purposes of ERISA or Section 4975 of the Code (a "Plan Asset Entity"), or (iv) a plan, trust or entity subject to laws similar to the fiduciary duty provisions of ERISA or the prohibited transaction rules under Section 4975 of the Code (each of the foregoing, including any related trust or funding vehicle, a "Plan" and, collectively, "Plans"), such trustee or other fiduciary represents and warrants that Client's participation in the Program is permitted by the relevant governing instrument of such Plan and laws applicable to such Plan, and that Client is duly authorized to enter into this Agreement on behalf of such Plan.

If Client is an ERISA Plan or a Plan Asset Entity holding assets of one or more ERISA Plans, Responsible Plan Fiduciary additionally represents and warrants that the Responsible Plan Fiduciary executing and delivering this Agreement on behalf of Client is a "named fiduciary" (as defined under ERISA) who has power under the ERISA Plan(s) to appoint an investment advisor.

If Client is a Plan, Client shall obtain and maintain during the term of this Agreement any bond required by ERISA or other applicable law with respect to fiduciaries and shall include LPL, PWP Advisors and Advisor within the coverage of such bond. If Client is an ERISA Plan or Plan Asset Entity holding assets of one or more ERISA Plans, Responsible Plan Fiduciary agrees that it has been provided all disclosures required to be provided by the Department of Labor Regulations under ERISA Section 408(b)(2) in connection with the Program and has determined that the compensation Client pays for the services provided under this Agreement is reasonable.

If the Account is being managed for a particular participant in a Plan (a "Self-Directed Account"), the term Client as used in this Agreement refers to the Responsible Plan Fiduciary and the participant, and both the Responsible Plan Fiduciary and participant must sign the Account Application. In the case of a Self-Directed Account, Client represents to LPL and Advisor that the Plan's governing documents (including any applicable adoption agreement) and laws governing the Plan permit the participant to self-direct his or her investment of all assets in the Account. If LPL or Advisor receives trade instructions from participant, rather than from the Responsible Plan Fiduciary or its designee, such as a trustee, plan administrator or other delegate, Client represents that the Plan's governing documents, including any procedures established by the Responsible Plan Fiduciary, and laws governing the Plan permit the participant to provide trade instructions directly to LPL and Advisor.

In the case of a Self-Directed Account, although the Plan's governing documents allow participant to direct investments of the Account, the Plan trustee(s) remains the legal owner of the assets in the Account, and the rules regarding withdrawals,





## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

contributions and other actions are primarily governed by the Plan documents, including any related trust agreement. If participant is entitled to a distribution or withdrawal from the Account, Client is aware that an LPL distribution/withdrawal request will need to be authorized and directed by the Responsible Plan Fiduciary in addition to participant's authorization requesting the transaction. If participant invests through this Account, in place of designated investment options as may be provided by the Responsible Plan Fiduciary under the Plan, if applicable, Client acknowledges that the services (including investments) under this Agreement may be different, and the fees may be higher, than if participant invested through those designated Plan investment options. Client understands that the investment objective for this Account will be based on the investment objective of the participant as provided in the Account Application, and generally will be different from the investment objectives of other Plan accounts for different participants of the same or different Plans.

LPL provides services under this Agreement as an investment advisor under the Investment Advisers Act of 1940 (the "Advisers Act"). To the extent that LPL has or exercises discretionary authority under this Agreement with respect to the management of assets of the Account (or otherwise provides "investment advice" under the Account Agreement as defined under Section 3(21) of ERISA or Section 4975 of the Code with respect to assets of the Account), LPL acknowledges that it will be deemed a "fiduciary" as such term is defined under Section 3(21) of ERISA or Section 4975 of the Code, as applicable, with respect to such advisory services. This acknowledgement of status under ERISA is not intended to create or expand any "fiduciary" relationship, capacity, or obligations of LPL and your Advisor under other federal, state or local laws. Client is solely responsible for considering all relevant services, fees and conflicts of interest applicable to the services contemplated under this Agreement (and related disclosures) before making a decision to participate in the Program, or to contribute to or withdraw assets from the Program. Client understands and agrees LPL does not undertake to act as a "fiduciary" within the meaning of ERISA or Section 4975 of the Code with respect to the Client's decision to participate in the Program, accept the terms and conditions of the Agreement, or to contribute to or withdraw assets from the Account. Client will make such decisions independently from LPL, and should consider whether to seek the advice of counsel or other independent experts as necessary. Unless specifically agreed to in writing, LPL does not serve as an "investment manager," as such term is defined under Section 3(38) of ERISA.

Client agrees to furnish Advisor and LPL with such documents as they shall reasonably request with respect to the foregoing. Client further agrees to advise LPL and Advisor of any event that might affect this authority or the validity of this Agreement.

#### 7. CONFLICTS OF INTEREST

LPL is appointed by Client as the custodian of the assets in the Account and as the broker/dealer to process securities transactions for the Account. Securities transactions for the Account are effected through LPL without commissions being paid to LPL.

If a Portfolio is selected that includes a Muni Model, the PWP Advisor will have discretion to purchase and sell securities within the Muni Sleeve of the Account and may choose to execute transactions through a broker/dealer other than LPL. In such case, the execution price may include a commission, mark-up or mark-down, or other charges in addition to the Account Fee. LPL and PWP Advisors (in the case of a Muni Model) may aggregate transactions for Client with other clients to improve the quality of execution.

Client should be aware that certain mutual funds held in the Account charge fees such as 12b-1, sub-transfer agent, networking and omnibus processing fees, a portion of which is received by LPL. The amount of such fees is described in the mutual fund's prospectus under fund expenses and is also reflected on the fund's financial statements. Any 12b-1 fees paid to LPL by mutual funds held in the Account (other than cash sweep money market funds ("Sweep Funds") described in Section 19 below) will be credited to the Account.

Client should understand that the share class offered for a particular mutual fund through the Program in many cases will not be the least expensive share class that the mutual fund makes available. As a result, LPL will not achieve best execution for purchases of share classes that are more expensive because the recordkeeping and other expenses make it a more expensive share class than Client otherwise would be eligible to purchase had LPL chosen to make that share class available. Client understands that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the Program.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

Advisor recommending the Account to Client receives compensation as a result of Client's participation in the Program. The amount of this compensation may be more or less than what Advisor would receive if Client participated in other programs or paid separately for investment advice, brokerage and other client services. Therefore, Advisor may or may not have a financial incentive to recommend the Program over other programs and services.

LPL has fee arrangements with investment advisors or distributors ("sponsors") of mutual funds, ETFs, annuities, alternative investment products and structured products that are available for purchase in an Account, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client assets invested in the sponsor's funds or a fixed fee, and LPL provides marketing support to the sponsor and allows the sponsor to access LPL representatives so that the sponsor can promote such mutual funds and/or ETFs. Client understands that this type of arrangement gives LPL a financial incentive to have LPL clients invest in participating mutual funds instead of funds whose sponsors do not make such payments to LPL.

LPL does not receive compensation for directing orders in equity securities to particular broker/dealers or market centers for execution.

LPL credits to the Account funds belonging to Client such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by LPL. These funds come to LPL from issuers and various intermediaries in which LPL is a participant, such as DTC. Information regarding when LPL credits the Account with funds due to the Account, when those funds are available to the Account, and/or when Client begins earning interest on the funds is available from LPL.

In connection with servicing the Account, Client acknowledges and agrees that Client will be charged by LPL certain incidental miscellaneous fees and charges. These fees are set out in the Miscellaneous Account and Service Fees Schedule attached hereto. These fees include, for example, an account termination fee for processing a full account transfer to another financial institution. LPL makes available a current list of these fees on its website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html). These fees are not directly based on the costs of the transaction or service by LPL, often include a profit to LPL, and certain of the fees are lowered or waived for certain customers. These fees are subject to change at the discretion of LPL. You will be notified of these charges and any changes through information provided with your periodic statements. These fees and charges shall continue until thirty (30) days after LPL has notified Client in writing of any change in the amount of the fees or charges applicable to the Account, at which time the new fees or charges will become effective unless Client notifies LPL in writing that the Account is to be closed.

If Client is a participant in an employer-sponsored retirement plan such as a 401(k) plan, and decides to roll assets out of the plan into the Account, Advisor has a financial incentive to recommend that Client invest those assets in the Account, because Advisor will be paid on those assets, for example, through advisory fees. You should be aware that such fees likely will be higher than those a participant pays through a plan, and there can be maintenance and other miscellaneous fees. As securities held in a retirement plan are generally not transferred to the Account, commissions and sales charges will be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

#### 8. LIMITATION OF LIABILITY

To the fullest extent permitted under applicable law, neither LPL, Advisor nor any of their officers, directors, employees, or affiliates shall be liable for any loss incurred with respect to the Account, except where such loss directly results from such party's negligence or misconduct.

Client acknowledges that neither LPL, Advisor nor their employees are agents of each other or of any of their affiliates, and that no party shall be liable for any act or omission of another party or their agents or employees. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which Client may have under federal or state securities laws (or ERISA, where applicable).

Client further understands that there is no guarantee that Client's investment objectives will be achieved. Neither LPL nor Advisor shall have any liability for Client's failure to inform Advisor and LPL in a timely manner of any material change in Client's financial circumstances which might affect the manner in which Client's assets are allocated, or to provide Advisor and LPL with any information as to Client's financial status as Advisor or LPL may reasonably request.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

Client also understands that LPL and Advisor do not provide tax, accounting or legal advice. In making tax, accounting or legal decisions, Client will consult with and rely on Client's own advisors and not LPL or Advisor, and LPL and Advisor shall have no liability therefore.

LPL shall not be liable for any loss or loss of profits caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, lack of access to or latency of trading systems, rioting, mayhem, acts of terrorism, war, outbreak of sickness or disease, strikes, fire, flood, cyber attack, sabotage, network failure, system outage, computer viruses, or other conditions beyond LPL's control.

LPL is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC provides protection for the Account for up to \$500,000, including \$250,000 for claims for cash. The Account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

#### 9. ASSIGNMENT/TERMINATION

This Agreement may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder; provided, however that LPL or Advisor may assign this Agreement upon consent of Client in accordance with the Advisers Act.

This Agreement may be terminated by any party effective upon receipt of written notice to the other parties ("Termination Date"). LPL will deliver securities and funds held in the Account as instructed by Client unless Client requests that the Account be liquidated. LPL will initiate instructions to deliver funds and/or securities within two weeks of Client's written request. If the Account is liquidated as a result of a termination notice, LPL will have a period of 72 hours to begin liquidations unless special circumstances apply. Proceeds will be payable to Client upon settlement of all transactions in the Account. Client will be entitled to a pro-rated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date. Advisor will be responsible for refunding any portion of the Account Fee remitted to Advisor by LPL. Client understands and agrees that after the Termination Date, the Account will be deactivated. In a deactivated account, no advisory fees are charged, and LPL and Advisor have no responsibility to provide ongoing investment advice.

If the Account is closed within the first six months by Client or as a result of withdrawals which bring the Account value below the required minimum, LPL reserves the right to retain the pre-paid quarterly Account Fee for the current quarter or cancel and rebill all transactions in the Account at normal and customary brokerage commission rates, in order to cover the administrative cost of establishing the Account, which may include costs to transfer positions into and out of the Account, data entry costs to open the Account, costs associated with reconciling of positions in order to issue performance information, and the cost of re-registering positions.

In the case of an Account held by an individual, this Agreement shall terminate upon death of Client; provided, however, that the authority of LPL and Advisor under this Agreement shall remain in full force and effect until such time as LPL and Advisor have been notified otherwise in writing by the authorized representative of Client or Client's estate.

Termination of this Agreement will not affect the liabilities or obligations of the parties from transactions initiated prior to termination.

#### 10. CONFIDENTIALITY

LPL, PWP Advisors and Advisor will share information about Client, the Account, and Client's participation in the Program with each other in order to provide the services contemplated by this Agreement. None of the information and data that Client provides to LPL, Advisor or the PWP Advisors (if any) will be disclosed to any other non-related firm, person or entity without prior consent of Client, except as described in their respective privacy policies. Client acknowledges, understands and agrees that for our mutual protection, LPL may electronically record telephone conversations. Client agrees not to record any telephone conversation without express written authorization of LPL and the individual(s) engaged in the conversation.



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

### 11. SEVERABILITY

If any provision of this Agreement shall be held or made nonenforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement shall be deemed to be severable.

### 12. VALUATION

In computing the market value of any security or other investment in the Account, each security listed on a national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security or investment in the Account shall be valued in a manner determined in good faith by LPL to reflect fair market value.

For any assets purchased within the Account, the cost basis is the actual purchase price. For any assets transferred into the Account, original purchase price is used as the cost basis to the extent such information was submitted to LPL by Client or a former service provider. It is Client's responsibility to advise LPL immediately if the cost basis information is portrayed inaccurately. Statement calculations and figures should not be relied upon for tax purposes.

### 13. GOVERNING LAW

This Agreement shall be construed under the laws of The Commonwealth of Massachusetts in a manner consistent with the Advisers Act and the rules and regulations of the Securities and Exchange Commission thereunder (and ERISA, where applicable).

### 14. RECEIPT OF DISCLOSURE DOCUMENTS

Client acknowledges receipt of the Relationship Summary, PWP Program Brochure and Advisor's Form ADV Part 2 ("Disclosure Documents") as required under the Advisers Act. Client understands the investment approach, related risk factors, and the fees associated with investing in an Account.

### 15. ENTIRE AGREEMENT/AMENDMENT

This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein. This Agreement may be amended by LPL upon thirty (30) days written notice to all parties. To access the most current version of this Agreement, please reference [lpl.com/disclosures.html](http://lpl.com/disclosures.html). In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any other agreement between Client and Advisor, the terms and conditions of this Agreement shall control with respect to the Program.

### 16. ACCOUNT APPLICATION

The Account Application, incorporated herein by reference and made a part of this Agreement, must be completed in full by Client and the accuracy of its contents is hereby acknowledged by Client. By signing the Account Application, Client and Advisor agree to the terms and conditions of this Agreement. LPL and Advisor may accept the Account electronically. Client further acknowledges that it is Client's responsibility to provide LPL and Advisor with updated information as necessary and that LPL and Advisor have the right to rely on this information. Client agrees to promptly notify LPL in the event that his or her country of residence or citizenship status changes, and Client acknowledges and agrees that such notification may result in termination of his or her account by LPL under Section 9 above if LPL does not service accounts in the new jurisdiction.

Important information about procedures for opening this Account: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an Account. Client is required to provide the following information, among other items, on the Account Application: name, address, date of birth and other information that will allow LPL to confirm Client's identity. In addition, Advisor may also ask to see a valid driver's license or other identifying documents.



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

### 17. AUTHORIZATION TO DEBIT ACCOUNT

Client hereby authorizes LPL to debit the Account Fee and any additional fees or charges payable pursuant to Section 18 directly from the Account. It is agreed by Client and LPL that fees will be payable, first, from free credit balances, if any, in the Account, and second, from the liquidation or withdrawal (which Client hereby authorizes) by LPL of Client's shares of any money market fund balances in the insured cash account ("ICA") or deposit cash account ("DCA"), if applicable. Certain Accounts may establish procedures to pay the Account Fee directly rather than through a debit to the Account. Any different method of billing the Account Fee may result in the imposition of additional charges to cover the administrative costs of billing.

### 18. FEES AND CHARGES

Client will pay an annualized fee ("Account Fee") comprised of an Advisory Fee and a Manager Fee. The maximum Account Fee is set forth in Schedule A attached hereto.

The Advisory Fee is charged for the services of LPL and Advisor. The Advisory Fee is negotiable with Advisor and will be as stated on the account Application. The Manager Fee is charged for the services provided by the PWP Advisors. The Manager Fee for a PWP Advisor is set by the PWP Advisor, will differ depending on the PWP Advisor selected for the Account, and also may differ depending on which investment strategy or model portfolio is selected. A list of the current models and their associated fee rates can be requested from Advisor. Please note that if the Account includes more than one model, the applicable Manager Fee rate applies to the assets invested in that model. LPL reserves the right to increase the upper limit of the Advisory Fee and/or Manager Fee range(s) upon 30 days' prior notice to clients. If the Advisor changes a model selected for the Account, or if a model investment value changes, the overall Account Fee may increase or decrease.

The Account Fee, including both the Advisory Fee and the Manager Fee, is based on the value of the assets in the account, including cash holdings, and is payable quarterly in advance. For purposes of calculating quarterly Account Fee and providing performance information as described in Section 1, the Account quarter will begin on the first day of the next calendar quarter after the Account is accepted by LPL.

The initial Account Fee is due at the beginning of the quarterly cycle following LPL acceptance of the Account and will include the pro-rated amount for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected in Client's account statement) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between Advisor and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees and any additional fees or charges payable will be deducted from the Account pursuant to the authorization granted under Section 17.

Client authorizes LPL to deduct the Account Fee and any additional fees or charges from the Account unless other arrangements have been made for the Account pursuant to Section 17. All such additional fees and charges will be noted on Client's account statements.

Client also incurs certain charges imposed by LPL or third parties other than Advisor in connection with investments made through the Account, including among others, the following types of charges: mutual fund 12b-1, sub-transfer agent, networking and omnibus processing fees; fund management fees and administrative servicing fees; fees related to American Depository Receipts; certain deferred sales charges on previously purchased mutual funds and other transaction charges and service fees; fees related to American Depository Receipts; IRA and Qualified Retirement Plan fees; administrative servicing fees for trust accounts; and taxes and other charges required by law or imposed by exchanges or regulatory bodies. LPL and Advisor receive all or a portion of certain of these third party fees. For retirement accounts, 12b-1 fees received by LPL with respect to mutual funds held in the Account will be credited to the Account. Further information regarding charges and fees assessed by any mutual fund held in the Account is available in the appropriate prospectus.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

As an example of the foregoing, transaction fees imposed by the SEC on all sales of securities, options and single stock futures effected on a national securities exchange are passed on to your Account. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or monthly statements.

Client understands and agrees that LPL may waive any fee it charges in its sole discretion in whole or in part.

Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Decisions regarding the sale of mutual funds in an Account will be made by LPL without regard to whether Client will be assessed a redemption fee.

Client understands that LPL and Advisor, in connection with the performance of their respective services, shall be entitled to and will share in the Advisory Fees payable hereunder. LPL will remit to Advisor the portion of the Account Fee due to Advisor for Advisor's services. The PWP Advisors receive the applicable Manager Fee. PWP Advisors may pay LPL a portion of the costs associated with the use of technology necessary for a PWP Advisor to perform its services under the Program. LPL will receive a fee for its services as OPM equal to 10 basis points of the value of the Account. Neither LPL nor Advisor shall be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of Client's funds.

Client acknowledges and agrees that the fees and charges in effect for the Account shall continue until thirty (30) days after LPL has notified Client in writing of any change in the amount of such fees and charges, at which time the new fees and charges will become effective unless Client notifies LPL in writing that the Account is to be closed.

#### 19. NOTICES AND COMMUNICATIONS

To the extent permitted by applicable law, notices and communications may be sent to Client through mail, overnight express delivery, or electronically, at LPL's or Advisor's discretion. Notices and communications will be sent to the postal or electronic address, which includes a telephone number ("E-Address"), shown on the Account Application or at such other postal or E-Address as Client may hereafter provide to LPL and Advisor in accordance with procedures LPL may establish from time to time. The E-Address may be an e-mail address, other Internet address, fax number, telephone number, or other electronic access address. To the extent permitted by applicable law, notices and communications will be deemed delivered when sent, whether actually received or not, even if LPL or Advisor has notice of non-delivery. Notices and communications posted to an online location by LPL or Advisor will be deemed to be delivered to, and received by, Client at the time that LPL or Advisor sends notice to Client in accordance with this Agreement that the notice and communication is posted online and available for review.

LPL or Advisor may, at its option, send notices and communications to Client electronically either:

- to Client's E-Address, or
- by posting the information online and sending Client a notice to Client's postal address or E-Address telling Client that the information has been posted and providing instructions on how to view it.

Communications may include text (SMS) messages, which may be informational, transactional or commercial (marketing) in nature and which may be sent using an automatic telephone dialing system, from or on behalf of LPL or Advisor. By completing the Account Application and providing a telephone number to LPL and/or Advisor, Client provides consent for LPL and/or Advisor to send communications by text (SMS) message. Client may be charged by his or her wireless service provider in connection with receipt of such messages. Client may stop the receipt of text (SMS) messages by contacting their Advisor.

Client agrees that Client will notify LPL and Advisor immediately in the event of a change to Client's postal address or E-Address.

All notices and communications to LPL and Advisor must be provided in writing at LPL's and Advisor's postal address, as applicable, and as such address may be updated by notice to the other parties from time to time. Any notice Client sends LPL or Advisor will not be effective until actually received. Client assumes the risk of loss in the mail or otherwise in transit.



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

## 20. AUTOMATIC CASH SWEEP PROGRAM

By signing the Account Application, Client is selecting and agreeing to have cash balances in the Account transferred automatically into a sweep program, depending on the type of Account. Below is a summary of the general terms and conditions of the sweep programs offered by LPL.

The applicable sweep program will be implemented upon LPL's acceptance of the Account, as discussed above. Pending our acceptance, cash balances not otherwise invested at your direction will be held in your Account as a free credit balance, as discussed more fully below.

### Multi-Bank Insured Cash Account ("ICA") or Deposit Cash Account ("DCA") Program General Terms and Conditions

If the Account is eligible for the ICA or DCA program, you hereby authorize and direct LPL to automatically deposit available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in the Account into interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit accounts ("Deposit Accounts") at one or more banks or other depository institutions (each, a "Bank"), as provided for in such programs. In selecting the DCA program for your eligible Account, you agree that: you have independently chosen the DCA program for your Account, fees of LPL and the program administrator, as discussed below, are reasonable and appropriate for the services being provided under the program, you have reviewed the DCA Disclosure Booklet and you have not relied on the advice or recommendation of LPL in making this selection. You understand and agree that LPL and Advisor have no obligations to consider, choose or recommend alternative sweep products to the one you have chosen.

**Eligibility.** The ICA program is available for accounts of individuals, trusts, sole proprietorships and entities organized or operated to make a profit, such as corporations, partnerships, associations, business trusts, and other organizations. LPL may at its discretion deem an eligible person to be an ineligible person if LPL becomes aware that the person is prohibited as a matter of law from holding funds at the Bank. In the future, LPL may at its discretion, deem additional account types eligible for the ICA program. The DCA program is available only to IRAs including traditional, rollover, and Coverdell IRAs. Please consult Advisor for additional details concerning eligibility.

**FDIC Insurance.** Deposit Accounts available through the ICA or DCA program are eligible for insurance by the FDIC up to \$250,000 in principal and accrued interest per depositor for each FDIC-defined ownership category in an individual bank. As your agent, LPL will sweep your assets out of your LPL Account and into the participating Banks but not to exceed the maximum levels of insurance as defined by the FDIC per category. To ensure your deposit at any of the participating Banks do not exceed the maximum levels of insurance as defined by the FDIC per category, LPL will limit your total deposit at any participating Bank to allow for the monthly interest being applied to your Account. Should your assets reach the maximum amount of insurance as defined by the FDIC per category, LPL will continue to place funds to other participating banks to provide the maximum deposit insurance limits established for ICA or DCA. To view the current program maximum deposit insurance limits for ICA or DCA, see the ICA or DCA Current Interest Rate pages on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) under "Automatic Cash Sweep Programs and SIPC Coverage" and "FDIC-Insured Bank Deposit Sweep Programs (LPL ICA and DCA)." After that maximum is reached, your additional cash will be deposited into one or more of the Excess Banks (as defined in the applicable ICA or DCA Disclosure Booklet) in excess of FDIC coverage limits and will not be eligible for FDIC Insurance. Cash invested in a money market mutual fund is not eligible for FDIC deposit insurance. Deposit Accounts are not protected by the Securities Investor Protection Corporation.

The ability of the ICA and DCA program to sweep your uninvested cash into Bank Deposit Accounts depends, however, on the capacity of the Banks to accept new deposits. In times where Banks have insufficient capacity to accept new deposits, LPL will temporarily deposit into one or more of the Banks in excess of FDIC coverage limits resulting in deposits not being eligible for FDIC insurance or under certain unlikely circumstances, into money market mutual funds. When Bank capacity is restored, your funds are re-allocated to Banks within the program to fully insure your assets up to the program maximum.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

**Interest.** In both the ICA and DCA Program, Client will earn the same rate of interest for the respective program as stated on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) regardless of the Bank in which the Client deposits are held. Interest will accrue daily on balances from the day funds are deposited into a Bank through the business day preceding the date of withdrawal from that Bank. In the ICA program, interest will be compounded daily and credited monthly. In the DCA program, interest is credited to the Client Account monthly (or when you close the Account, if done prior to month-end). This process is described in more detail in the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). The interest rates paid are determined by the amount the Banks are willing to pay minus the fees paid to LPL and other parties for administering the program. The interest rates accruing on funds may change as frequently as daily without prior notice. The most up-to-date interest rates are found on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). Different rates apply for amounts invested in money market mutual funds.

**Fees.** In the ICA program, LPL receives a fee equal to a percentage of the average daily deposit balance. The fee paid to LPL will be at an annual rate of up to an average of 400 basis points as applied across all ICA Deposit Accounts taken in the aggregate. In the DCA program, LPL receives a flat fee per account with the fee indexed to the Fed Funds Target (FFT) interest rate. If the Fed Funds Target interest rate is a range, the fee is determined by using the middle of the range rounded up to the nearest whole number. For details on how the fee is determined, please reference the DCA Disclosure Booklet available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

**Tax Information.** For most clients, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to Client each year showing the amount of interest income Client has earned on deposits in the Deposit Accounts. Client should consult with a tax advisor about how the ICA or DCA program, as applicable, affects Client.

**Termination of Participation.** You can terminate your Account's participation in the ICA or DCA program, as applicable, at any time without penalty, upon notice to LPL.

**More Information.** For more specific information about the terms and conditions of the ICA or DCA program, please see the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

#### **Money Market Mutual Fund Sweep Program General Terms and Conditions**

**Eligibility.** If the Account is not eligible for ICA or DCA, you hereby authorize and direct LPL to automatically invest available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in shares of a money market mutual fund. If Account is a non-retirement account, and a specific Sweep Fund is not otherwise directed by you, you hereby authorize LPL to direct the cash balances held in your Account to the J.P. Morgan U.S. Government Money Market Fund (unless you own a foreign account and then it will be the J.P. Morgan U.S. Treasury Liquidity Fund). A non-retirement account is one not held by an ERISA Plan or otherwise subject to Section 4975 of the Code. Contact your Advisor to learn about the specific share class you will be invested in or to learn about other Sweep Funds that may be available.

**No FDIC Insurance.** Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency. Although money market funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur. LPL is a member of SIPC. For accounts held at LPL, SIPC provides account protection up to a maximum of \$500,000 per client, of which \$250,000 may be claims for cash. This account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

**Fees.** LPL receives compensation of up to 1.00% annually of LPL client assets invested in the Sweep Funds from the money market mutual fund sponsor in connection with 12b-1 fees, recordkeeping fees and other compensation.





## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

More Information. For more complete information about any of the Sweep Funds, including all charges and expenses, please contact Advisor for a free prospectus. Client may obtain information with respect to the current yields available on the Sweep Funds by contacting Advisor.

#### Changes to Sweep Programs

LPL may make changes to the sweep programs, for example, to replace one Sweep Fund with another money market mutual fund. If the Account is not eligible for the ICA or DCA program, but later becomes eligible for one of the programs, LPL may switch the sweep program from the money market mutual fund sweep program to the ICA or DCA program. Client will be provided with notice of such change prior to the effective date of the change.

#### Free Credit Balances

Your selection of a sweep program above will not be effected until your Account paperwork has been accepted by LPL as being in good order. Until such time, available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) will not be automatically swept and will be held as a free credit balance. A free credit balance is a liability of LPL and payable to the Account on demand. Interest will not be paid to the Account on free credit balances. Unless we hear from you to the contrary, it is our understanding that any free credit balances held in your Account are pending investment.

Free credit balances may be used by LPL in the ordinary course of its business subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934. The use of client free credit balances generally generates revenue for LPL in the forms of interest and income, which LPL retains as additional compensation for its services to its clients. Under these arrangements, LPL will generally earn interest or a return based on short-term market interest rate prevailing at the time.

If you are acting on behalf of a Plan, the Responsible Plan Fiduciary agrees that it has determined that holding cash balances, pending LPL's acceptance of the Account, as a free credit balance, which does not earn income for the Plan, is both (i) reasonable and in the best interests of the Plan and (ii) that the Plan receives no less, nor pays no more, than adequate consideration with respect to this arrangement. If the Responsible Plan Fiduciary chooses to avoid holding un-invested cash as a free credit balance, the Plan should not fund the Account until after the Account paperwork has been accepted by LPL as being in good order.

#### Further Information

For further information about LPL's sweep programs or the Account, please contact Advisor.

### 21. RIGHT TO ADVOCATE AND REFUSAL TO ACCEPT ORDERS

LPL shall have the right at its sole discretion to advocate administratively or judicially on your behalf where LPL suspects exploitation of any kind, dementia and/or undue influence.

In addition, LPL shall have at its sole discretion the authority to pause or refuse to obey any instructions or orders for, including but not limited to, transactions, disbursements, or account transfers. For UTMA or UGMA accounts in which the beneficiary reaches the age of majority, LPL reserves the right to refuse orders or instructions and to terminate or deactivate the account.

### 22. TRUSTED CONTACT PERSON DISCLOSURE

You understand by providing a trusted contact person in the Account Application, you give permission to LPL, Advisor, and their associated persons, to use their discretion to contact the trusted contact person and disclose information about you and your Account in order to:

- address concerns that you might be a victim of financial exploitation which could include fraud, coercion, or unauthorized transactions,
- address a temporary hold on a disbursement of funds or securities pertaining to possible financial exploitation or other concerns,
- confirm your current contact information,
- confirm and address your whereabouts and health status, and/or



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

- confirm the identity of any legal guardian, executor, trustee, holder of a power or attorney, or other person who may be acting on your behalf (such as an attorney or accountant).

#### 23. JOINT AND SEVERAL LIABILITY: JOINT ACCOUNT

If more than one individual is establishing an account with LPL, the obligations of all persons establishing such Account under this Agreement shall be joint and several. If this is a joint account, each of you signing the Account Application and Agreement (each a "joint owner") agrees that each joint owner shall have authority to (a) buy, sell, and otherwise deal in, through LPL as a broker, securities and/or other property, (b) to receive confirmations, statements and communications of every kind related to the Account, (c) to receive and dispose of money, securities and/or other property in the Account, (d) to make, terminate, or modify this Agreement and any other written agreement relating to the Account or waive any of the provisions of such agreements, and (e) generally to deal with LPL as if each of you alone was the sole owner of the Account, all without notice to the other joint owner(s). Each of you agrees that notice to any joint owner shall be deemed to be notice to all joint owners. LPL may follow the instructions of any of the joint owners concerning the Account and make delivery to any of the joint owners of any and all securities and/or other property in the Account, and make payments to any of the joint owners, of any or all moneys in the Account as any of the joint owners may order and direct, even if such deliveries and/or payments shall be made to one of the joint owners personally. LPL shall be under no obligation to inquire into the purpose of any such demand for such deliveries and/or payments.

In the event of the death of any of the joint owners, the surviving joint owner(s) shall immediately give LPL written notice thereof. The estate of any deceased joint owner shall be liable and each survivor will be liable, jointly and severally, to LPL for any debt or loss in the Account resulting from the completion of transactions initiated prior to LPL's receipt of a written notice of such death or debt or loss incurred in the liquidation of the Account or the adjustment of the interests of the joint owners. LPL reserves the right to require written instructions from all Account holders, at its discretion.

#### 23. ARBITRATION

Client agrees to direct any complaints regarding the handling of the Account to Advisor and the LPL Legal Department in writing.

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first hearing date.
- The Panel of Arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

In consideration of opening one or more accounts for Client, Client agrees that any controversy or claim arising between Client and LPL and/or Advisor, and their parents, subsidiaries, affiliates, officers, directors, employees, agents, and Third-Party Service Providers (as defined below) (whether or not a FINRA (as defined below) member or associated person), arising out of or relating, in whole or in part, to the Account, transactions with or for Client, this agreement or any other agreement Client has entered into with LPL, or the construction, performance, or breach of this Agreement or any other agreement Client has entered into with LPL, whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration to be filed at and to be conducted in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority (FINRA). If the



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT

controversy or claim is not arbitrable before FINRA, then arbitration will be conducted by, and in accordance with the rules and procedures of Judicial Arbitration and Mediation Services, Inc. (JAMS). If arbitration before JAMS is unavailable or impossible for any reason, then you agree to arbitrate in another forum to which the parties otherwise agree. This agreement does not prohibit or restrict you from requesting arbitration of a dispute in the FINRA arbitration forum as specified in FINRA rules. Notwithstanding any provision of JAMS Rules (or other applicable arbitration forum rules), any such arbitration shall occur on an individual basis only, and not on a class or collective basis, and you waive the right to initiate, participate in, or recover through, any class or collective action in any claims that are not arbitrable before FINRA. To the extent any claim on a class or collective or representative basis is nonarbitrable under the law, then such claims shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. A court of competent jurisdiction (and not an arbitrator) shall resolve any dispute about the formation, validity, or enforceability of any provision of this Agreement. Any arbitration award hereunder shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. Nothing in this Agreement requires arbitration of any claim that under the law cannot be made subject to a pre-dispute agreement to arbitrate claims, including any dispute or controversy nonarbitrable under federal law.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns, and any other persons having or claiming to have a legal or beneficial interest in any account you maintain at LPL, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist or enable LPL to provide services hereunder including investment and investment product manufacturers and insurance and annuity carriers ("Third-Party Service Providers"), and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.



**ACCOUNT PACKET**

**PERSONAL WEALTH PORTFOLIOS - ACCOUNT AGREEMENT**

**PWP PROGRAM SCHEDULE A - FEES**

Client agrees to pay the following fees for the Account:

MAXIMUM ACCOUNT FEE (ANNUALLY).....2.95%

DETAILED FEE BREAKDOWN

MAXIMUM FEE (ANNUALLY)

Advisory Fee.....2.35%

Manager Fee.....0.60%

Any 12b-1 fees paid to LPL by mutual funds held in the Account (other than Sweep Funds) will be credited to the Account. Such credits will be reflected on periodic account statements.



# Miscellaneous Account and Service Fees Schedule

## RIA

The listed fees below do not include commissions, markups, commission equivalents or advisory fees. These fees apply to the following LPL Financial accounts available to clients of investment advisor firms: SWM, SWM II, Optimum Market Portfolios (OMP), Model Wealth Portfolios (MWP), Personal Wealth Portfolios (PWP), Manager Access Select, and Manager Access Network. Some of these fees may not apply to all of these account types. Some of these fees may be waived under certain conditions.<sup>1</sup>

ACCOUNT OR SERVICE	FEE	FREQUENCY
<b>ACCOUNT MAINTENANCE</b>		
Corporate Actions — Mandatory (if securities are in physical form)	\$15	Per security
Corporate Actions — Voluntary or Mandatory with Options (if election is made)	\$25	Per security
Express Mail/Overnight Delivery	\$15	Per shipment unless otherwise noted
Extension for Money or Securities Received Past Settlement	\$15	Per event
Interest Charged for Money or Securities Received Past Settlement	Cash Due Interest Rate	Begins accruing 3 days after trade settlement
Legal Transfer — for processing of certificate requiring legal documentation (e.g., power of attorney, court appointment, death certificate, corporate resolution, etc.)	\$20	Per security
Outgoing Account Transfer — for processing full account transfer of all assets and positions to another financial institution (excludes retirement accounts)	\$125	Per account
Outgoing Account Transfer Check — for processing outgoing account transfer of physical checks	\$15	Per check over \$1,000
Return/Rejected Item/Non-Sufficient Funds (NSF)	\$20	Per item
<b>Retirement Account Fees:</b>		
Annual IRA Maintenance — for custodial and tax reporting services provided to maintain an individual retirement account (IRA) <sup>2</sup>	\$40	Per year/per account
Annual QRP and 403(b)(7) Maintenance — for custodial and tax reporting services provided to maintain qualified retirement plan (QRP) or 403(b)(7) account <sup>2</sup>	\$50	Per year/per account
IRA/QRP and 403(b)(7) Termination	\$125	Per account
QRP and 403(b)(7) Loan Processing	\$50	Per loan
Roth IRA Conversion	\$25	Per conversion
990-T Filing	\$100	Per 900-T
1099-R for Omnibus/Pooled QRPs	\$50	Per 1099-R
<b>CASH MANAGEMENT SERVICES</b>		
Deposit Cash Account sweep fee <sup>3</sup>	\$1.75 (as of 7/1/2021, subject to change)	Monthly, per account
Stop Payment	\$10	Per check
Wired Funds	\$25	Per wire
<b>INVESTMENT SPECIFIC</b>		
<b>Alternative Investment (AI) Products<sup>4</sup>:</b>		
AI Product Processing	\$50	Per transaction
AI Administration	\$35	Per year/per position (\$100 max)
AI Unrelated Business Taxable Income (UBTI) Filing — for preparation and filing of tax forms for UBTI, if applicable	\$100	Per required filing
AI Custody Analysis Fee for Private Securities	\$250	Per custody review
<b>Foreign Securities:</b>		
Foreign Transaction Tax <sup>5</sup>	0.3%	Per purchase transaction
Transaction (not applicable to American Depository Receipts)	\$40	Per transaction or transfer
Transfer and Ship	\$250	Per transfer
<b>Physical Certificates / Transfer and Ship</b> — for issuance of physical certificate upon request (rate depends on transfer agent)	\$0 - \$25	Per certificate
<b>Restricted Securities</b> — Legend Removal	\$50	Per legal transfer
<b>Stock Option</b> — Exercise (Cashless)	Margin Interest Rate	Per transaction
<b>Transaction Charges<sup>6</sup>:</b>		
Equities (including Closed-end Funds)	\$9	Per transaction
ETFs <sup>7</sup>	\$9	Per transaction
Fixed Income <sup>8</sup>	\$0	Per transaction
Mutual Funds <sup>9</sup>	\$0 - \$26.50	Per transaction
Options	\$25	Per transaction
Unit Investment Trusts	\$35	Per transaction

<sup>1</sup> See account agreements for more information. These fees generally are not based directly on the costs of the transaction or service by LPL, and may include a profit to LPL.

<sup>2</sup> This fee does not apply to OMP, MWP and PWP accounts.

<sup>3</sup> This fee only applies to IRAs that participate in the DCA Program. This monthly fee is based on a fee schedule tied to current Fed Funds Target Rate as detailed in the DCA Disclosure Booklet located on LPL.com. The current fee can be found at lpl.com. It is expected that this fee will be recouped from the DCA Program Banks and will not be a fee directly applied to your account. For more information, see the DCA Disclosure booklet.

<sup>4</sup> These fees apply to SWM/ SWM II accounts only.

<sup>5</sup> A Foreign Transaction Tax is charged by LPL on foreign equity security purchases where the underlying non-U.S. securities are from French or Italian issuers. This tax is levied by the French or Italian governments, and the charge offsets the tax incurred by LPL as a result of executing the transaction on your behalf.

<sup>6</sup> These fees apply to SWM accounts only.

<sup>7</sup> The charge is \$0 for an ETF whose sponsor participates in LPL's ETF No Transaction Fee Network.

<sup>8</sup> Transactions are done on a principal basis. Although there is no transaction charge, there will be a mark-up or mark-down on each transaction, which will be included in the price and yield on the bond.

<sup>9</sup> The charge is \$0 for a Full Participating Fund (a fund that pays LPL a level of compensation, such as 12b-1 fees, for services LPL provides to the funds) and \$26.50 for a Non-Participating Fund. Although there is a \$0 transaction charge, Full Participating Funds tend to have a higher expense ratio. See the SWM Account Agreement for more information.

Make Checks Payable as Follows:

John Doe 123 Main St. Your Town, USA	001 Date: <u>12/1/16</u>
PAY TO THE ORDER OF: <u>LPL Financial</u>	\$ <u>600.00</u>
<u>six hundred dollars</u>	DOLLARS
Notes: <u>Account Number</u>	Signature: <u>John Doe</u>

### Security Endorsement Instructions:

For value received, (Leave Blank) hereby sells, assigns and transfers unto (Leave Blank) shares represented by the within certificate and do hereby irrevocably constitute and appoint (LPL Financial) as Attorney to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

**Dated:** (Date Signed)

**Signed:** (Sign Exactly as Registered on the Front, With All Signatures)



Member FINRA/SIPC



Facts	What Does LPL Do with Your Personal Information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect can include: <ul style="list-style-type: none"> <li>▪ Social Security number</li> <li>▪ Investment experience</li> <li>▪ Income</li> <li>▪ Account transactions</li> <li>▪ Assets</li> <li>▪ Retirement assets</li> </ul> When you are <i>no longer</i> our customer, we will continue to hold your information and share it as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons why financial companies can share their customers' personal information, the reasons LPL chooses to share personal information and whether you can limit this sharing.

Reasons We Can Share Your Personal Information	Does LPL Share?	Can You Limit This Sharing?
For our everyday business purposes, such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We don't share
For non-affiliates to market to you—for clients with accounts established with LPL representatives at banks or credit unions	Yes	Yes
For non-affiliates to market to you—for clients with accounts established with LPL independent representatives  • If your independent financial professional terminates his or her relationship with us and moves to another brokerage or investment advisory firm, we or your independent financial professional may disclose your personal information to the new firm, unless you instruct us not to by returning the completed Departing Financial Professional Privacy Choice form attached to this notice.	Yes	Yes

**Questions?**

 Go to [www.lpl.com](http://www.lpl.com)

## Who We Are

<b>Who is providing this notice?</b>	LPL Financial LLC and its affiliates (collectively, LPL). Our affiliates include the following: <ul style="list-style-type: none"><li>▪ Fortigent LLC</li><li>▪ LPL Insurance Associates, Inc.</li><li>▪ Fiduciary Trust Company of New Hampshire</li><li>▪ PTC Holdings, Inc.</li><li>▪ Allen &amp; Company of Florida, LLC, DBA Allen &amp; Company</li><li>▪ The Private Trust Company, N.A.</li></ul>
--------------------------------------	---

## What We Do

<b>How does LPL protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  Our online environment uses security technologies, including layered security and access controls over personal information. For further information, please visit the page <a href="#">How LPL Financial Secures Your Information</a> .
<b>How does LPL collect my personal information?</b>	We collect your personal information, for example, when you: <ul style="list-style-type: none"><li>▪ Open an account</li><li>▪ Apply for insurance</li><li>▪ Seek advice about your investments</li><li>▪ Enter into an investment advisory account</li><li>▪ Tell us about your investment or retirement portfolio</li></ul> We also collect your personal information from others such as credit bureaus, affiliates or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only: <ul style="list-style-type: none"><li>▪ Sharing for affiliates' everyday business purposes—information about your creditworthiness</li><li>▪ Affiliates from using your information to market to you</li><li>▪ Sharing for non-affiliates to market to you</li></ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and non-financial companies. <ul style="list-style-type: none"><li>▪ Our affiliates include companies with an LPL Financial name; financial companies such as The Private Trust Company, N.A; non-financial companies and others.</li></ul>
<b>Non-Affiliates</b>	Companies not related by common ownership or control. They can be financial and non-financial companies. <ul style="list-style-type: none"><li>▪ Non-affiliates we may share information with include an independent representative's new brokerage or an investment advisory firm.</li></ul>
<b>Joint marketing</b>	A formal agreement between non-affiliates financial companies that together market financial products or services to you: <ul style="list-style-type: none"><li>▪ This may include banks, credit unions or other financial institutions with which we have a joint marketing agreement</li></ul>

## Other Important Information

### Information for California, North Dakota, and Vermont Customers

In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.



### Additional Information about Information Sharing and How to Opt-Out

#### For clients of LPL financial professionals also affiliated with a bank, credit union or other financial institution ("Institution")

If your account was opened in our offices located at an Institution and that Institution decides to enter into a relationship with a new financial services provider, we may share your information with that new financial services provider so that your account can continue to be serviced.

We may also share your information with the Institution so that they may inform you about their products and services that may be of interest to you. You may exercise your right to opt-out or opt-in from this type of sharing by visiting <https://privacy.lpl.com> or by calling (855) 804-3041.

#### For clients of independent investment advisor firms or independent financial professionals

If your account is managed by an independent investment advisor firm, we may share your information with that investment advisor firm and your information is subject to the privacy notice of the investment advisor firm. As described below, if you work with a financial professional who is moving to another brokerage or investment advisory firm, we also may share your information with the professional's new firm. Please use the mail in form below if you wish to opt-out from this sharing.

### Mail-In Form for Departing Financial Professional Privacy Choice

(To be used by clients of LPL **independent financial professionals** only—not clients of financial professionals associated with a bank or credit union)

If you would like to limit the personal information that your financial professional could disclose or take if he or she moved to another brokerage or investment advisory firm and terminated the relationship with LPL, please complete and mail the following form to:

LPL Financial  
Attn: Privacy Office  
1055 LPL Way  
Fort Mill, SC 29715

If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm, then you must give your written consent, or opt in, before we will allow your financial professional to take your personal information to that New Firm. Please contact your financial professional or LPL to obtain the Privacy Choice Consent Form (F809) to opt in or withdraw your previous opt out.

Please be aware that LPL Financial entered into the Protocol for Broker Recruiting (Protocol) on September 4, 2008, with certain other brokerage firms, and if LPL remains a signatory to the Protocol as of the effective date of your financial professional's termination from LPL, then LPL will permit your financial professional to take your name, address, phone number, email address and the account title of the accounts serviced (or additional information as permitted if the Protocol is amended) while your financial professional was associated with LPL if your financial professional joins one of these Protocol firms. The retention of this limited information by your financial professional under the Protocol may occur even if you have exercised your rights to limit information sharing as described above.

By completing and returning this form as described, I am instructing LPL to limit the personal information about me that my financial professional could disclose or take if he or she moves to another brokerage or investment advisory firm and terminates the relationship with LPL. However, I understand that LPL may disclose my name, address, telephone number, email and the account title of the accounts serviced by my financial professional to the new brokerage or investment advisory firm as allowed under federal and certain state laws and the Protocol.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. **In order for your Opt-Out election to be effective, you must complete ALL of the following information:**

Name (please print clearly)

Address

City

State/Zip

Phone Number

Name of LPL Financial Professional

Signature

Date



**ACCOUNT PACKET**

**PERSONAL WEALTH PORTFOLIOS (PWP)  
PROGRAM BROCHURE**

LPL Financial LLC  
1055 LPL Way, Fort Mill, SC 29715  
[www.lpl.com](http://www.lpl.com) (704) 733-3482

October 3, 2022

This wrap program brochure provides information about the qualifications and business practices of LPL Financial (“LPL”). If you have any questions about the contents of this brochure, please contact LPL at [lplfinancial.adv@lpl.com](mailto:lplfinancial.adv@lpl.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about LPL also is available on the SEC’s website at <https://.adviserinfo.sec.gov/>.

**ITEM 1 COVER PAGE**

**ITEM 2 MATERIAL CHANGES**

The following is a summary of certain changes made to this Brochure from the time of the annual update of the Brochure dated March 31, 2022. Item 9 was updated to provide information regarding disciplinary events, involving (i) FINRA sanctions in connection with LPL’s failure to calculate and maintain its required customer reserve; and (ii) a consent order with the Texas State Securities board for failure to supervise a broker-dealer agent/investment adviser agent’s sales of structured products.

**ITEM 3 TABLE OF CONTENTS**

ITEM 1	COVER PAGE .....	21
ITEM 2	MATERIAL CHANGES .....	21
ITEM 3	TABLE OF CONTENTS.....	21
ITEM 4	SERVICES, FEES AND COMPENSATION .....	21
ITEM 5	ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....	26
ITEM 6	PORTFOLIO MANAGER SELECTION AND EVALUATION .....	26
ITEM 7	CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS .....	31
ITEM 8	CLIENT CONTACT WITH PORTFOLIO MANAGERS .....	31
ITEM 9	ADDITIONAL INFORMATION .....	31

**ITEM 4 SERVICES, FEES AND COMPENSATION**

**Services**

LPL sponsors various types of advisory programs, including wrap fee programs, an advisor-enhanced digital advice program, and mutual fund asset allocation programs. LPL makes these programs available to clients directly and also through third party investment advisor firms (“Advisor”) and their associated persons. This Brochure provides a description of LPL’s Personal Wealth Portfolios (“PWP”) program when offered through an Advisor. For more information about LPL’s advisory services and programs other than PWP, please contact your Advisor for a copy of a similar brochure that describes such service or program or go to <https://adviserinfo.sec.gov/>.

The PWP program is a unified managed account program in which LPL and Advisor provide ongoing investment advice and management. In PWP, clients invest in asset allocation portfolios (“Portfolios”) designed by LPL’s Research Department, which include a combination of mutual funds, exchange-traded funds (“ETFs”) and investment models (“Models”) provided to LPL by third party money managers (“PWP Advisors”). The Models typically consist of equity and fixed income securities, but may



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

include investment company securities. LPL's Research Department selects the mutual funds, ETFs and Models to be made available in a Portfolio.

The Advisor obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The Advisor, or client with the assistance of the Advisor, selects a Portfolio based on client's investment objective and then selects among the mutual funds, ETFs and/or Models available in the Portfolio. If client authorizes Advisor to take discretion to make such selections on client's behalf, the discretionary authority will be set out in the Account Agreement and Application signed by the client.

LPL has discretionary authority to purchase and sell securities in the account. The client authorizes LPL to take discretion by executing the Account Agreement and Application. LPL acts as the overlay portfolio manager ("OPM") in coordinating the trades among the various securities and sleeves of a PWP account. After a PWP account is opened, and upon deposit of funds by the client, LPL will invest the client's funds based on the Portfolio selected. It generally will take up to 5 business days from the date the account is fully funded for all assets to be fully allocated across the Portfolio. In certain cases, it may take longer to allocate assets to fixed income securities because of market conditions or the illiquid nature of certain issues. In the case of municipal security Models ("Muni Models"), it typically can take between 30 to 90 days for the Model to be fully invested. Subsequent deposits accumulate and will not be invested in the Portfolio until certain conditions are met, including conditions related to trade size and position deviation from the target allocation. All recommendations by LPL regarding accounts in the PWP program will be in an advisory capacity.

During the normal course of business, LPL reviews accounts on a daily basis and executes trades as needed. In addition, each year on the anniversary date of the initial account asset allocation, LPL will examine if any particular asset class in an account has drifted beyond a tolerance limit and determine if the account should be rebalanced to be within acceptable asset allocation tolerances.

Except as described below for Muni Models, the role of the PWP Advisors is limited to submitting Models to LPL, who has discretion as OPM for trade execution. However, if a Portfolio is selected that includes a Muni Model, the PWP Advisor for that Model will have discretionary trading authority with respect to the purchase and sale of fixed income securities for the portion of the account invested according to the Muni Model ("Muni Sleeve"). Although the PWP Advisor has discretion over the Muni Sleeve, LPL has ultimate discretion over the entire account and may exercise discretion over securities in the Muni Sleeve (e.g., to rebalance the Account or to liquidate securities for withdrawal requests). LPL may appoint from time to time other PWP Advisors to take discretion over a portion of the account managed according to that PWP Advisor's Model.

In connection with the program, LPL also acts as custodian to accounts, provides research information to Advisor, provides brokerage services as the broker-dealer on transactions, and performs administrative services, such as performance reporting.

#### Fee Schedule

Clients pay LPL an ongoing Account Fee that is made up of an Advisory Fee and a Manager Fee.

The Advisory Fee is charged for the services of LPL and Advisor. The maximum Account Fee is 2.95%, with a maximum Advisory Fee of 2.35% and a maximum Manager Fee of 0.60%. The Advisory Fee is negotiable between the client and the Advisor and is set out in the Account Application. LPL and Advisor do not accept performance-based fees under the PWP program.

The Manager Fee is charged for the services provided by the PWP Advisors. The Manager Fee for a PWP Advisor is set by the PWP Advisor, will differ depending on the PWP Advisor selected for the Account, and also may differ depending on which investment strategy or model portfolio is selected. Please note that if the Account includes more than one model, the applicable Manager Fee rate applies to the assets invested in that model. A list of the current models and their associated fee rates can be requested from Advisor. LPL reserves the right to increase the upper limit of the Advisory Fee and/or Manager Fee range(s) upon 30 days' prior notice to clients. If Advisor changes a model selected for the Account, or if a model investment value changes, the overall Account Fee may increase or decrease.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

The Account Fee is paid to LPL. LPL shares a portion of the Advisory Fee with Advisor and pays the Manager Fee to the PWP Advisor. LPL retains a portion of the Advisory Fee, equal to 078% of the value of the account for its OPM services, and for its administrative, custody and clearing services and the Portfolio design services of LPL Research. LPL shares up to 100% of the remaining portion of the Advisory Fee with Advisor based on the agreement between LPL and the Advisor. LPL retains any portion of the Advisory Fee not shared with Advisor.

The portion of the Manager Fee, as applicable, paid to the PWP Advisors varies by asset class and investment strategy, and ranges from 0.15% to 0.50% of the value of the account. To the extent that fee rates charged by PWP Advisors within the same asset class vary, an Advisor may have a financial incentive, prior to the change in Account Fee structure described above, to select one PWP Advisor over another because the Advisor could retain a greater portion of the Account Fee. The fees paid by LPL to PWP Advisors in the program out of the Manager Fee are generally less than a PWP Advisor would charge a client seeking to establish a direct relationship outside of the program. LPL is absorbing many of the billing, administrative, trading and marketing expenses that would otherwise be borne by the PWP Advisor and the role of the PWP Advisor is generally limited to providing Models to LPL. PWP Advisors generally have higher minimum account size requirements when managing direct accounts and higher fees when the PWP Advisor bears those expenses.

#### How the Account Fee is Charged

LPL deducts the Account Fee and other fees and charges associated with a PWP account from the account. LPL pays the applicable portion of the Account Fee to the PWP Advisors whose models are selected for the account. LPL calculates and deducts the Account Fee in the method described in the Account Agreement, unless other arrangements are made in writing. If a client wishes to be billed for the Account Fee, rather than a deduction directly from the account, the client needs to make a request to LPL through the Advisor.

#### Payment in Advance and Refund of Pre-Paid Fees

LPL deducts the Account Fee quarterly in advance. If the Account Agreement is terminated before the end of the quarterly period, LPL will pay the client a prorated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, LPL and Advisor reserve the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue performance information, and re-registration of positions).

#### Other Types of Fees and Expenses of LPL

In addition to the Account Fee, clients also pay LPL other additional miscellaneous administrative or custodial-related fees and charges that may apply to a PWP account. LPL notifies clients of these charges at account opening and makes available a current list of these charges on its website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html). These fees include retirement account fees and termination fees, including, for example, a fee for loans processed for qualified retirement plan and 403(b)(7) plan accounts and an account termination fee for processing a full account transfer to another financial institution. Clients do not pay LPL brokerage commissions, markups or transaction charges for execution of transactions in addition to the Account Fee. For more information, see below under "Additional Information – Brokerage Practices."

#### Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than LPL that apply to investments in PWP accounts. Some of these fees and charges are described below. In PWP, assets may be invested in mutual funds or ETFs and, therefore, there are two layers of advisory fees and expenses for those assets. As a shareholder of a fund, Client will pay an advisory fee to the fund manager and other expenses charged by the fund. In the case of mutual funds that are funds of funds, there could be an additional layer of fees, including performance fees that may vary depending on the performance of the fund. Client also will pay the Account Fee with respect to assets invested in ETFs and mutual funds. The mutual funds and ETFs available in the



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

program may be purchased directly outside of the Program. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of LPL, the PWP Advisors and Advisor, and by making their own decisions regarding the investment.

Clients should understand that in many cases the mutual funds and mutual fund share classes offered through the Program charge higher fees and expenses than those that are not offered through the Program, and such other mutual funds and share classes may be equally or more appropriate for a client's account. As discussed below, a portion of the fees and expenses charged by certain mutual funds in the Program will be paid to LPL. Other financial services firm may offer the same mutual funds that are offered through the Program but at lower overall costs to investors than the costs that clients incur by investing through the Program.

Clients should also understand that in many cases the share class offered for a particular mutual fund available through the Program (the "Program Share Class") charges higher fees and expenses than other share classes that are offered by the same fund but are not available through the Program. Program Share Classes are selected by LPL, in certain cases, because the mutual funds pay to LPL a portion of the fees and expenses charged by Program Share Classes as compensation for the administrative and recordkeeping services LPL provides with respect to LPL clients who invest in the Program Share Classes, as discussed below under "Participation or Interest in Client Transactions."

If client transfers into a PWP account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. Depending on the share class and fee structure of the previously purchased mutual fund, LPL can receive fees such as 12b-1 fees from the previously purchased mutual fund until the position is liquidated and subsequently invested according to the PWP model. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). Decisions regarding the sale of mutual funds in an account may be made by LPL without regard to whether a client will be assessed a redemption fee.

When transferring securities into a PWP account, client should be aware that certain securities may not be eligible for the account. In such case, the securities may be rejected, sold after the transfer, or moved to a brokerage account. Note that when an ineligible security is transferred into an account and subsequently sold or moved to a brokerage account, the advisory fee will be charged on such asset for the period of time the security was held in the account. Client should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into a PWP account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, client should consider and speak to Advisor about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

For those Portfolios consisting of mutual funds, LPL selects only no-load and load-waived mutual funds. Some mutual funds and Program Share Classes in PWP charge shareholders an asset-based fee, known as a "12b-1" fee, to cover distribution expenses and, in some cases, shareholder servicing expenses. A portion of such 12b-1 fees will ultimately be paid to LPL by the funds. Any 12b-1 fees paid to LPL by funds (other than the cash sweep money market funds ("Sweep Funds") described in the section of Item 9 labeled "Participation or Interest in Client Transactions") will be credited to the client's account.

Certain of the mutual funds available for investment in the program may be affiliated with Advisor. Therefore, investment in an affiliated mutual fund generates additional compensation to the Advisor's affiliates, including, among other types of compensation, fund-level management fees. A PWP Advisor available in the program may be affiliated with an Advisor. As a consequence, selection of an affiliated PWP Advisor generates additional compensation to Advisor's affiliates.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

As described below under “Additional Information – Brokerage Practices,” if a PWP Advisor for a Muni Model chooses to execute a transaction through a broker-dealer other than LPL, the execution price to the client may include a commission, markup/markdown, or other fee imposed by the executing broker-dealer in addition to the Account Fee. If client holds an American Depositary Receipt (“ADR”) in an account, there may be custodial fees or taxes related to the ADR.

Clients also incur charges imposed by third parties or LPL in connection with investments made through their accounts, including, but not limited to, taxes and charges required by law or imposed by exchanges or regulatory bodies. For example, an industry-wide charge mandated by a regulator applies to sales of certain securities. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or monthly statements.

#### Important Things to Consider About Wrap Fees on a PWP Account

- The Account Fee is an ongoing fee for investment advisory services, the execution of transactions and other administrative and custodial services. The Account Fee may cost the client more than purchasing the program services separately, for example, paying a separate advisory fee for each of the services of LPL, Advisor and the PWP Advisor, plus commissions or transaction charges to a broker-dealer for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:
  - type and size of the account
  - type and number of securities in the Portfolio (whether equities, fixed income securities, mutual funds or ETFs)
  - historical and or expected size or number of trades for the account, and
  - number and range of supplementary advisory and client-related services provided to the client.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services. This is the case in particular if the Account Fee is at or near the maximum Account Fee set out above. The Advisor is responsible for determining the Advisory Fee to charge each client based on factors such as total amount of assets involved in the relationship, type of securities to be held in the account (e.g., mutual funds vs. individual securities), the complexity and mix of the portfolio, and the number and range of supplementary advisory and client-related services to be provided to the account. Clients should consider the level and complexity of the advisory services to be provided when negotiating the Advisory Fee with Advisor.
- The Advisor recommending the program to the client receives compensation as a result of the client’s participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to the Advisor. For example, LPL may pay additional compensation to Advisor by providing reimbursement of administrative servicing fees that Advisor pays to LPL, free or reduced-cost marketing materials, payments in connection with the transition of Advisor’s business from another firm to LPL, or attendance at LPL’s conferences or events. LPL may pay this compensation based on the Advisor’s overall business production and/or on the amount of assets serviced in LPL advisory programs. Therefore, the amount of this compensation may be more than what Advisor would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, the Advisor may have a financial incentive to recommend a program account over other programs and services.
- Some of the investment products available to be purchased in the program can be purchased by clients outside of a PWP account, through broker-dealers or other investment firms not affiliated with LPL.
- Clients should consider the impact of fees and expenses on their investment portfolio, as described in the informational brochure titled “How Fees and Expenses Affect Your Portfolio” on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) under “Investor Regulatory & Educational Resources.”



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

LPL generally requires a minimum account value of \$250,000. In certain instances, LPL will permit a lower minimum account size. An account will not be invested according to the Portfolio until the minimum account size and the targeted funding value of the account has been reached. The program is available for individuals, IRAs, banks, thrift institutions, credit unions, pension and profit sharing plans, including plans subject to ERISA, trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

### ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In PWP, LPL and Advisor are responsible for the overall investment advice and management services offered to clients, and the client selects the Advisor who services the account. Advisor is responsible for determining the standards required for its associated persons. For more information about the Advisor, client should refer to the Advisor's Firm Brochure, which client should have received at the time client opened the account.

LPL makes available Models designed by PWP Advisors. LPL selects and reviews on an ongoing basis the PWP Advisors available on PWP based on quantitative, qualitative and infrastructure criteria, which may include:

#### Quantitative Criteria

LPL evaluates quantitative criteria both in terms of the PWP Advisor's absolute performance and performance relative to the PWP Advisor's investment style group, including but not limited to:

- Rate of return
- Consistency of returns and risk
- Number of employees and accounts
- Years in the business
- Assets under management

#### Qualitative Criteria

LPL evaluates qualitative criteria, including but not limited to:

- Sound Investment philosophy and process that drives performance
- Assessment of the investment manager and team
- Risk controls
- Legal and compliance issues

#### Infrastructure Criteria

LPL reviews infrastructure criteria to assess whether a PWP Advisor can handle operational requirements including but not limited to:

- Composite calculation methodology
- Trade rotation policy, if applicable
- Back office review
- Client servicing resources
- Firm-wide program commitment

LPL reviews PWP Advisors currently participating in the program and reviews new PWP Advisors prior to the addition of their Models to the program. LPL may elect to remove a PWP Advisor should it determine that the PWP Advisor has failed to meet one or more of the above selection criteria or other pertinent criteria (e.g., significant change in management staff). In making a decision to remove a PWP Advisor, LPL's Research Department takes into consideration all criteria; no one criteria is necessarily determinant in the replacement decision. Additionally, in its review process, LPL places emphasis on long term overall PWP



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

Advisor performance from a qualitative and/or quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision to remove a PWP Advisor.

#### PWP Advisor Performance

LPL's Research Department uses information provided by the PWP Advisor and also may use independent, third party databases when evaluating a PWP Advisor. In order for a PWP Advisor to be selected for the program, LPL generally requires a third party verification letter related to compliance of the PWP Advisor's performance information with Global Investment Performance Standards (GIPS) or a similar letter indicating that the performance information has been audited by an independent auditor. PWP Advisor performance information is not calculated on a uniform and consistent basis.

LPL does not calculate PWP Advisor performance. However, LPL provides Advisor, and clients, if so directed by Advisor, with individual performance information. Performance information is prepared by LPL using portfolio accounting and reporting software. Client performance information is calculated on a uniform and consistent basis using a time weighted basis.

It is important to note that PWP Advisors provide Models to LPL, and, except in the case of Muni Models, LPL is the party with discretion for trade implementation and execution in PWP accounts. Therefore, Models submitted to LPL by PWP Advisors may represent activity that has already been implemented on behalf of other clients of the PWP Advisor. Because of this fact and because LPL (and not the PWP Advisor) has discretionary authority to implement trades, performance of a PWP account will differ from the performance of PWP Advisor's discretionary accounts.

#### LPL Portfolio Design Services

In PWP, clients invest in Portfolios designed by LPL's Research Department. LPL's Research Department provides various types of advisory services. LPL Research provides research recommendations on asset allocation, money managers, mutual funds and ETFs. LPL Research provides investment advice on mutual fund selection and allocation through other LPL advisory programs, such as Optimum Market Portfolios and Model Wealth Portfolios. LPL Research also reviews and recommends outside portfolio management firms for LPL's separately managed account wrap programs, Manager Select and Manager Access Select.

LPL Research designs different types of Portfolios for PWP to meet the varying needs of clients. The Advisor, or the client with the assistance of Advisor, selects the Portfolio and provides advice based on the client's individual needs. LPL's Research Department uses various investment strategies in designing Portfolios, including those described below. All Portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. The Portfolios are intended to take advantage of market opportunities that will occur or persist over a three-to-five-year time frame. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

- *Standard.* This investment strategy invests in more traditional asset classes (e.g., large cap growth, large cap value, small cap growth, small cap value, foreign and fixed income). LPL Research designs different versions of Standard Portfolios, for example, for investors who wish to allocate to mid-caps or who do not want explicit allocations to foreign markets.
- *Core.* This investment strategy also invests in more traditional asset classes, however the traditional equity asset classes are combined between blends of growth and value.
- *Diversified.* This investment strategy invests in traditional asset classes but may also invest in less traditional asset classes (e.g., emerging markets, high yield bonds). This investment strategy is subject to minimal constraints. LPL Research designs different versions of these Portfolios, for example, for investors who want allocation to tax-free bonds.
- *Diversified Plus.* This investment strategy invests in traditional asset classes but may also invest in less traditional asset classes (e.g., emerging markets, high yield bonds). This investment strategy is subject to minimal constraints. LPL Research designs different versions of these Portfolios, for example, for investors who want allocation to tax-free bonds. In addition, this strategy has a tactical allocation for investors who wish to have an allocation that is more tactically managed and allocated by LPL Research to mutual funds, ETFs and/or ETNs. The tactical allocation is intended to be more flexible and to help take advantage of short-, mid-, and long-term opportunities the markets present.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

Other than in the context of a change in a tactical sleeve of Diversified Plus, when LPL's Research Department determines that a Model, ETF or mutual fund is no longer acceptable for a Portfolio, LPL will notify the Advisor of the change in status and provide alternatives for the account from which the Advisor, or the client with the assistance of the Advisor, will select, which may include selection of 1) an ETF until a replacement Model, ETF or mutual fund has been selected by the Research Department, 2) the replacement Model, ETF or mutual fund, or 3) one of the remaining choices within the asset class.

#### Types of Investments and Risks

The Portfolios may include different types of securities, such as mutual funds, closed end funds, ETFs, ETNs, and equity and fixed income securities. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some particular risks associated with investing and with some types of investments available in the program.

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Liquidity Risk.* This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- *Sector Risk.* To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- *Alternative Strategy Mutual Funds.* Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be appropriate for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.





**PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE**

- *Exchange-Traded Funds (ETFs)*. ETFs are typically investment companies that are legally classified as open end mutual funds or unit investment trusts. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- *Closed-End Funds*. Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- *Exchange-Traded Notes (ETNs)*. An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows: The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- *Pledging Assets*. LPL has partnered with certain banks to help facilitate clients' access to collateralized non-purpose lines of credit; however, clients are not required to use the banks in LPL's program, and can work directly with other banks ("non-partner banks") to negotiate loan terms or obtain other financing arrangements. Clients who choose to use non-partner banks should notify Advisor of the amount of the line of credit. In these collateralized lending arrangements, clients borrow from the bank and pay interest to the bank. In some cases, Advisor may recommend that a client seeking to access funds (for purposes other than purchasing securities) hold his securities investments and instead utilize a non-purpose line of credit collateralized by the assets in his advisory account. Unless Advisor specifically recommends that a client hold his securities investments and instead utilize a collateralized line of credit to access funds, the decision regarding whether to arrange for a collateralized loan and the decision to draw down on such a loan are not covered by a client's advisory relationship with LPL or Advisor. While Advisor may assist the client with facilitating a line of credit, clients are responsible for independently evaluating the terms of the loan and deciding whether the loan meets their needs. Clients also should be aware that pledging assets in an account to secure a loan involves additional risks. The bank holding the loan has the authority to liquidate all or part of the securities at any time without your prior notice in order to maintain required maintenance levels, or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. Moreover, Advisor's ability to make investment decisions or recommendations for the account may be restricted by collateral requirements imposed by the bank. These restrictions or a forced liquidation may interfere with your long term investment goals and/or result in adverse tax consequences. Further, you should note that the returns on accounts or on pledged assets may not cover the cost of loan interest and advisory fees. Clients should be aware that LPL's collateralized loan program is one way, among many, for clients to raise necessary cash. Before pledging assets in an account, clients should carefully review the loan agreement, loan application and any forms required by the bank and any other forms and disclosures provided by LPL. For a list of the banks currently



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

participating in LPL's collateralized lending program, please visit [lpl.com/disclosures.html](http://lpl.com/disclosures.html), click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."

#### LPL's Overlay Portfolio Management Services

As OPM, LPL provides advisory services tailored to the individual needs of the clients. LPL reviews accounts on a daily basis for rebalancing. LPL accommodates reasonable requests to restrict holdings of specific securities, specific industries, specific sectors, and certain pre-defined categories (e.g., "sin" stocks). In the event that client restrictions prevent the investment in certain securities otherwise recommended by a PWP Advisor, assets will be invested pro-rata across the remaining securities in the Model. Such restrictions do not apply to any mutual funds, ETFs or fixed-income securities that may be held in the account. Restrictions placed on an account may affect the performance of the account. The OPM may choose not to accept an account with restrictions that are inconsistent with the investments chosen by the OPM or as recommended by the PWP Advisor.

LPL accommodates requests to perform tax harvesting, which may include using the proceeds of tax-related transactions to purchase appropriate securities (such as ETFs) for an account. These securities will be held in the account until appropriate wash sale periods have expired. Once the wash sale period has expired, the related proceeds will be invested according to the Portfolio selected. During a period specified by LPL, the Advisor may also direct LPL to purchase an ETF in lieu of a mutual fund selected for the account in order to avoid capital gain distributions. If an ETF is purchased for this purpose, the account will be reallocated into the selected mutual fund after the distribution, at a time determined by LPL. The sale of the ETF will be a taxable event. In certain circumstances, LPL also accommodates requests for all or a portion of the account to remain allocated to cash for a period of time. After the expiration of that time period, LPL will reinvest the Account according to the model portfolio selected. Such customized requests and changes to and withdrawals from the Portfolios selected may take up to 5 days to process, and, in certain circumstances, may take longer.

As LPL generally has discretion to implement a Model, an account's holdings may differ from the Model submitted. For example, LPL may limit small trades (defined by minimum dollar amounts, share amounts, percentage of account, or percentage of individual asset class). In addition, due to market conditions or the illiquid nature of certain issues, there may be times when LPL will not be able to invest in specific taxable fixed income securities that appear in a Model. In those circumstances LPL will attempt to invest in fixed income securities with similar characteristics as those in the Models. For clients in California and New York, if tax-free fixed income securities are selected for a Muni Model, the PWP Advisor will attempt to limit the fixed income securities purchased to state-specific, tax free fixed income securities; however, the PWP Advisor may also include non-state-specific securities.

#### Voting Client Securities

Unless a client instructs otherwise, LPL will vote proxies on the client's behalf. LPL has adopted policies and procedures to in order for LPL to vote securities in the best interest of clients. LPL engages third party vendor(s) to make proxy voting recommendations and handle the administrative functions of voting proxies. Although LPL retains authority to vote client proxies, it is LPL's general policy to vote according to the recommendations of its third party proxy advisor vendor, so long as LPL reasonably determines that doing so is in the client's best interest. Any exceptions to this general policy are referred to LPL's Research Department, which makes the determination as to whether or how to vote the proxy in accordance with the best interest of the client. If the client is an employee benefit plan subject to ERISA, LPL will vote client proxies in accordance with LPL's obligations under ERISA and applicable Department of Labor Regulations. A copy of LPL's proxy voting policies is available upon request to LPL through Advisor. A client may obtain information about how LPL voted with respect to securities held in the client's account by contacting LPL through Advisor.

If a client elects to retain the right and obligation to vote proxies and receive mutual fund shareholder reports, LPL is reimbursed by the proxy issuer or mutual fund for the delivery costs to send proxies and shareholder reports to the client. The maximum fee that can be charged for delivery is set by New York Stock Exchange (NYSE) rules. If LPL uses a vendor to perform the delivery, the vendor seeks reimbursement from the proxy issuer or mutual fund on LPL's behalf and in certain cases remits a portion of the reimbursement to LPL.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

In the case of voluntary corporate actions, LPL intends to follow the instructions or default election of the PWP Advisors without reviewing individual client interests, unless LPL determines that such instructions are overtly contrary to our client's best interests. In such case, LPL will determine whether or how to act consistent with the best interests of our clients.

LPL, Advisor and the PWP Advisors are not obligated to render any advice or take any action on behalf of a client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in the account, or the issuers thereof. The client retains the right and obligation to take action with respect to legal proceedings relating to securities held in the account.

#### ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The Advisor obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The Advisor obtains this information by having the client complete an Account Application which is a part of the Account Agreement. In quarterly communications, LPL asks clients to contact the Advisor if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Because the PWP Advisor's role generally is limited to providing Models to LPL, and the PWP Advisor does not provide individualized discretionary advisory services to PWP clients, LPL generally does not communicate specific client information to PWP Advisors. However, in the case of PWP Advisors for the Muni Models, the PWP Advisor does provide individualized discretionary advisory services with respect to the Muni Sleeve. If a Muni Model is selected, LPL forwards client information from the Account Application to the PWP Advisor. If client communicates to the Advisor regarding material changes in the client's financial circumstances, investment objectives or investment restrictions, such information is forwarded to the PWP Advisor for the Muni Model. Clients may communicate such information to the Advisor or otherwise communicate directly with the PWP Advisor, although clients are encouraged to direct communication through their Advisor.

Clients should understand that the investment objective selected for the program in the Account Application is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client also should be aware that achievement of the stated investment objective is a long-term goal for the account.

#### ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

LPL does not place any restrictions on a clients' ability to contact and consult with Advisors. Because the PWP Advisor's role generally is limited to providing Models to LPL, and the PWP Advisor does not provide individualized discretionary advisory services to PWP clients, PWP Advisors generally are not available to be contacted or consulted by PWP clients. However, in the case of PWP Advisors for the Muni Models, the PWP Advisor does provide individualized discretionary advisory services with respect to the Muni Sleeve. If a Muni Model is selected, clients may consult directly with the PWP Advisor, although clients are encouraged to direct contact with the PWP Advisor through OPM or their Advisor.

#### ITEM 9 ADDITIONAL INFORMATION

##### Disciplinary Information

LPL entered into a settlement with the SEC in connection with LPL's failure to comply with its Customer Identification Program procedures. The SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and was a cause of a third party's violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. The SEC ordered LPL to cease and desist from committing or causing any further violations of these laws and regulations, censured LPL for its conduct, and ordered the payment of disgorgement and prejudgment interest totaling \$141,202 (deemed satisfied based on LPL's voluntary remedial payment of \$4,118,876 to the impacted client), and the payment of a civil money penalty of \$750,000.

As part of a voluntary self-reporting initiative in 2019, LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 206(2) and 207 of the Investment Advisers Act of 1940 (the "Advisers Act") in connection with inadequate disclosure to clients of its and its associated persons' conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that pay such fees. The SEC ordered LPL to cease and desist from committing or



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

causing any violations of Sections 206(2) and 207 of the Advisers Act, censured it for its conduct, and ordered the payment of disgorgement and prejudgment interest to affected investors totaling \$9,333,516.

LPL, as a broker-dealer, is a member of ("FINRA") and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to sanctions related to the following matters:

- LPL's failure to accurately calculate its customer reserve requirement, failure to maintain a sufficient customer reserve, failure to maintain policies and procedures reasonably designed to achieve compliance with the Securities and Exchange Act and FINRA rules, and failure to maintain accurate books and records, resulting in a censure and a fine of \$300,000 (2022).
- LPL's self-reporting of potential issues related to certain C-share purchase suitability reviews and its supervisory systems and procedures relating to waivers of front-end sales charges for rollovers of 529 savings plan investments from one state plan to another, resulting in a censure and payment of restitution to impacted customers (2021).
- LPL's supervisory systems and procedures relating to record retention, fingerprinting and screening of certain associated persons, and supervision of consolidated reports, resulting in a censure, a fine of \$6,500,000 and an undertaking to review and enhance related policies, systems and procedures (2020).
- LPL's supervisory systems and procedures relating to changes in the authority of custodians of accounts established under the Uniform Gifts to Minors Act and/or the Uniform Transfers to Minors Act, resulting in a censure, a fine of \$300,000, and an undertaking to review and enhance its policies, systems, and procedures related to supervision of such accounts (2019).
- The effectiveness of LPL's anti-money laundering program, LPL's failure to amend certain Forms U4 and U5, and LPL's systems and supervisory procedures relating to Forms U4 and U5 reporting requirements, resulting in a censure and a fine of \$2,750,000 and an undertaking to review the process used to disclose customer complaints on Forms U4 and U5 (2018).
- LPL's brokerage supervisory and disclosure procedures related to the sale of certain brokered certificates of deposit in brokerage accounts, resulting in a censure and a fine of \$375,000 (2018).
- LPL's systems and supervisory procedures relating to the creation and distribution of certain required account notices, resulting in a censure, a fine of \$900,000, and an undertaking to review affected processes (2016).
- LPL's systems and supervisory procedures relating to the format in which certain electronic records were retained, resulting in a censure and a fine of \$750,000 (2016).
- LPL's various brokerage supervisory procedures, including those related to the sale of complex non-traditional ETFs, variable annuity ("VA") contracts, real estate investment trusts ("REITs") and other products in brokerage accounts, as well as LPL's failure to monitor and report trades and deliver trade confirmations, resulting in a censure and a fine of \$10,000,000, and restitution of \$1,664,592 (2015).
- LPL's processing and supervision of the sale of alternative investments, including non-traded REITs resulting in a censure and a fine of \$950,000. (2014)
- LPL's systems and procedures related to the review and retention of email, resulting in a censure, a fine of \$7.5 million, and establishment of a fund of \$1.5 million to cover payments to eligible former brokerage customer claimants who may not have received all emails in connection with their claim (2013).
- LPL's supervisory systems to monitor and ensure the timely delivery of mutual fund prospectuses, resulting in a censure and a fine of \$400,000 (2012).

LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject of orders related to the violation of state laws and regulations in connection with its brokerage activities. In particular, LPL entered into consent orders related to the following matters:

- LPL's supervision of an LPL broker-dealer/investment adviser agent's sales of structured products, resulting in a censure, an offer of restitution to impacted clients, and a fine of \$125,000 (Texas, 2022).
- LPL's supervision of two LPL broker-dealer and/or investment adviser agents who pled guilty to charges of fraudulent practices with LPL customers, resulting in a cease and desist order, a fine of \$350,000 and a \$150,000 contribution for financial literacy and investor education initiatives, training and related materials (Connecticut, 2021).



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

- LPL's supervision of an LPL representative under a heightened supervision plan, resulting in a cease and desist order; a fine of \$275,000; payments of restitution, disgorgement and investigative costs; and offers of payment of surrender charges in connection with variable annuity contracts for impacted customers (New Hampshire or "NH", 2020).
- LPL's failure to timely register (or maintain the registration of) certain agents in Massachusetts ("MA") and failure to amend Forms U4 and U5 for certain agents registered in MA, resulting in a censure, a fine of \$1,100,000, and an undertaking to review and enhance its policies and procedures related to registering its agents in MA and filing reportable events (MA, 2019).
- LPL's brokerage supervisory procedures relating to email review and annual branch office examinations, resulting in a civil penalty of \$450,000 and an undertaking for third-party review of related processes (Indiana, 2018).
- The sale of unregistered, non-exempt securities in violation of state registration requirements, resulting (upon entry of the individual consent order) in payment to each participating state or jurisdiction of a civil penalty of \$499,000, reimbursement of certain investigative expenses, remediation through repurchase of certain securities and payment of losses to certain affected customers, and certain additional undertakings (Settlement with up to 53 members of the North American Securities Administrators Association (NASAA), 2018).
- The sale of non-traded alternative investments in excess of prospectus standards or LPL's internal guidelines and the maintenance of related books and records, resulting in a censure, a fine of \$950,000, a \$25,000 contribution to an investor education fund and remediation of losses to impacted customers (New Jersey, 2017).
- LPL's supervisory practices for LPL representatives located on the premises of a credit union, resulting in a censure, a fine of \$1,000,000, and an undertaking to avoid investor confusion specific to the name under which the credit union does business and review LPL's related policies and procedures (MA, 2017).
- LPL's oversight of certain VA transactions, resulting in a censure, a fine of \$975,000, restitution to clients and former clients of an LPL representative, disgorgement of commissions retained by LPL in connection with such representative's VA sales, and an undertaking to review such representative's brokerage and advisory activities and LPL's related policies and procedures (MA, 2017).
- The sale in brokerage accounts of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an aggregate civil penalty of \$1,425,000, reimbursement of certain investigative expenses and remediation of losses to impacted customers (Global settlement with certain members of NASAA, 2015).
- The sale of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an administrative fine of \$250,000, reimbursement of investigative costs of \$250,000, a \$250,000 contribution to an investor education fund and remediation of losses to impacted customers (NH, 2015).
- The sale of leveraged and inverse leveraged ETFs ("Leveraged ETFs"), resulting in an administrative fine of \$50,000 (Delaware), a penalty of \$200,000 (MA), restitution to Delaware customers in an amount up to \$150,000, restitution to MA customers in an amount up to \$1,600,000, and an agreement to make certain changes in its supervisory system with respect to Leveraged ETFs (2015).
- Failure to implement procedures related to the use of senior-specific titles by LPL representatives as required under MA law, resulting in a censure and a fine of \$250,000 (2015).
- Failure to detect improper and fraudulent conduct by an LPL representative, resulting in a censure, a fine of \$500,000, and restitution to impacted customers; and failure to adequately enforce supervisory procedures and maintain certain books and records required under Illinois law in connection with certain VA exchange transactions, resulting in a censure, a fine of \$2,000,000, and restitution to impacted customers (2014).
- The sale of non-traded REITs to MA residents in excess of MA concentration limits, resulting in a censure, a fine of \$500,000, and restitution to impacted customers (2013).

For more information about those state events and other disciplinary and legal events involving LPL, client should refer to Investment Advisor Public Disclosure at <https://adviserinfo.sec.gov/> or FINRA BrokerCheck at <https://brokercheck.finra.org/>.

#### Other Financial Industry Activities and Affiliations

LPL is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, REITs



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment advisor representatives dispersed throughout the United States. LPL has a dedicated team of employee IARs in its home office who service certain accounts, and also a small subset of IARs who operate their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. If required for their positions with a registered broker-dealer, LPL's principal executive officers are securities licensed as registered representatives of LPL. LPL is also registered as an introducing broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

Associated persons of Advisor may also be broker-dealer registered representatives of LPL or another broker-dealer. If an associated person of Advisor is a broker-dealer registered representative of LPL, that person is providing advisory services to the program account on behalf of Advisor. That person is not acting in a broker-dealer capacity or on behalf of LPL with respect to the services provided under this program.

LPL and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for program accounts set up as IRAs and receives an annual maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary services, which services may relate to a program account. Because LPL and PTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC as a custodian or for personal trustee services, or if a PTC client uses LPL as an investment advisor. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

Fiduciary Trust Company of New Hampshire ("FTC"), a non-depository trust company, is a related person of LPL. FTC provides custodial and various other recordkeeping and services to IRAs and certain employer-sponsored plans maintained through non-PWP Program accounts. Because LPL and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client is referred to or otherwise elects to engage with FTC for services under another LPL program, and uses LPL as the investment advisor or broker-dealer. FTC's custodial and recordkeeping services and related fees are established under a separate engagement between the client and FTC.

Fortigent, LLC ("Fortigent"), is a registered investment advisor and related person of LPL. From time to time, LPL registered representatives may enter into agreements with Fortigent for research and reporting services.

#### Code of Ethics and Personal Trading

LPL has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and investment advisor representatives ("IARs"). The code of ethics permits LPL employees and IARs to invest for their own personal accounts in the same securities that LPL and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. LPL addresses this conflict of interest by requiring in its code of ethics that LPL employees and IARs report certain personal securities transactions and holdings to LPL. LPL has procedures to review personal trading accounts for front-running. In addition, employees in LPL's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the LPL code of ethics is available to clients or prospective clients upon request and is available at [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

#### Participation or Interest in Client Transactions

Purchases of mutual fund shares may be processed through LPL's proprietary account resulting in such purchases being characterized as principal transactions for certain reporting purposes. In such case, the shares will be purchased at the fund's net asset value, and no additional charges will be applied to such transactions as a result of LPL's use of a proprietary account. LPL does not otherwise engage in principal transactions with its clients in the program. LPL's parent company, LPL Holdings Inc., is a publicly traded company. PWP advisors are not prevented from purchasing LPL Financial Holdings Inc. stock in PWP accounts. In addition, a



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

PWP account may include a mutual fund or ETF that holds LPL Financial Holdings Inc. stock as an underlying investment, for example, an ETF that seeks to replicate the performance of an investment services index that includes LPL Financial Holdings Inc.

For certain ETFs and stocks, LPL executes trades in fractional shares of those securities as an accommodation to clients. There is not an active open market for fractional shares, and executing trades with LPL is most often the only form of liquidity for a client that holds fractional shares in his or her account. LPL does not receive any compensation in addition to advisory fees for executing trades in fractional shares for a client's advisory account. LPL will only buy and sell fractional shares when a client is also trading whole shares of the security, in connection with a dividend reinvestment plan, or to sell remaining fractional shares to close a position. Trades in fractional shares will happen on the same day and at the same price as a trade in whole shares, or otherwise at market closing price.

#### **12b-1 Fees; Recordkeeping Services and Compensation; Revenue Sharing Arrangements**

Some mutual funds and Program Share Classes in PWP charge shareholders a 12b-1 fee. To the extent a mutual fund or a Program Share Class charges a 12b-1 fee, the fee will be paid to LPL by the mutual fund. Any 12b-1 fees paid to LPL by mutual funds (other than the Sweep Funds) will be credited to the account.

LPL performs recordkeeping, administrative and shareholder services on behalf of mutual funds and receives compensation for the services based on mutual fund holdings of PWP clients. These services include establishing and maintaining accounts with the funds, facilitating settlement of funds, responding to customer inquiries and requests, and maintaining sub-account records reflecting the issuance, exchange or redemption of shares by each program account. A type of recordkeeping service that LPL provides to certain mutual fund families is to process transactions on an omnibus basis, which means that LPL consolidates client trades into one daily trade with a fund, and maintains all pertinent shareholder information for the fund. In some cases LPL earns recordkeeping compensation with respect to a Program Share Class but does not earn recordkeeping compensation, or earns less recordkeeping compensation, with respect to other share classes of the same fund that are not offered through the Program. If LPL does not provide omnibus services to a mutual fund, then fund shares are traded on a networked basis, which means LPL submits a separate trade for each individual client trade to the fund. In that case, LPL maintains only certain elements of the fund's shareholder information.

The compensation LPL receives from a fund for recordkeeping, administrative and shareholder services is based on the amount of PWP client assets that are invested in the fund (up to 0.30% annually), or the number of positions held by PWP clients in the fund (up to \$25 per position). In addition, LPL charges a setup fee to product sponsors when adding new investment products or share classes of an investment product to LPL's investment platforms. In the case of exchange traded products, LPL receives up to \$7,500 per product and up to an additional \$15,000 per product for complex exchange-traded products. In the case of mutual funds, LPL receives a one-time set up fee of up to \$40,000 to add the sponsor to its recordkeeping platform, which is the sum of a \$15,000 due diligence fee and a setup fee of \$5,000 per fund (up to a maximum of \$25,000 total for all funds). LPL does not share this recordkeeping compensation with Advisors.

LPL has fee arrangements with investment advisors or distributors ("sponsors") of mutual funds, ETFs, annuities, alternative investment products and structured products that are available for purchase through the Program, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client sales or assets invested in the sponsor's funds or a fixed fee, and LPL provides marketing support to the sponsor and allows the sponsor to access LPL representatives so that the sponsor can promote such products. The maximum revenue sharing fee received by LPL under these arrangements is 0.15% annually, and certain sponsors also pay a tiered flat fee based on customer assets of up to \$1,000,000 in the case of ETFs. LPL does not accept revenue sharing fees for assets held in retirement accounts. LPL does not require that a sponsor participate in revenue sharing arrangements for the sponsor's products to be selected for a Portfolio. In many cases, LPL receives compensation from a fund for the provision of services in addition to LPL's receipt of revenue sharing payments from the sponsors, including 12b-1 fees and mutual fund recordkeeping fees (described above).

Revenue sharing payments are generally higher for investment products with higher expense ratios (the overall fee paid by an investor in the product). Additionally, revenue sharing payments for some ETFs are based on management fees and will be higher for ETFs with higher expense ratios, both because LPL is paid a portion of the higher fees and because generally the percentage rate that LPL gets paid increases for investment products with higher expense ratios. As a result, LPL has an



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

increased incentive to choose investment products that charge more in fees and to promote or recommend these investment products so that LPL earns more, and that could cause lower performance for client accounts. Other investment products with lower fees that are not party to revenue sharing agreements are available. Higher expense ratios will cause an investor to earn less on an investment than a comparable investment with a lower expense ratio. This results in a conflict of interest between clients and LPL because the revenue sharing arrangements give LPL an incentive to recommend investments that could cause lower performance for client accounts. However, these conflicts are mitigated insofar as the revenue sharing payments LPL receives are not shared with the Advisor who selects or recommends the investment products for client accounts.

The revenue that LPL receives from LPL's receipt of 12b-1 fees, recordkeeping compensation, and revenue sharing arrangements is an important revenue stream and presents conflicts of interest that affect LPL's ability to provide clients with unbiased, objective investment advice concerning the selection of funds and share classes for a Portfolio in the case of Portfolios designed by LPL. In particular, LPL has a financial incentive: (i) to select a product or a Program Share Class that charges a 12b-1 fee and/or pays recordkeeping compensation to LPL over another comparable product or a share class that does not charge 12b-1 fees or pay recordkeeping compensation; (ii) to select a product sponsored by a company that makes revenue sharing payments to LPL, instead of another comparable product whose sponsor does not make such payments; and (iii) to select a product or a Program Share Class that charges 12b-1 fees, pays recordkeeping compensation to LPL, or whose sponsor makes revenue sharing payments to LPL that, in each case, are comparatively higher than those charged or paid by another comparable fund or share class or a sponsor of such products or share classes. Such other comparable products and/or share classes may be more appropriate for a client than the product or Program Share Class offered through the Program. Additionally, LPL receives significantly more revenue sharing from fund sponsors for which LPL's clients have the largest holdings, which creates a conflict of interest for LPL to promote and recommend those investments. LPL's website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html) identifies the mutual funds that pay recordkeeping compensation and the sponsors that make revenue sharing payments to LPL.

LPL credits to clients any 12b-1 fees it receives from mutual funds (other than the Sweep Funds), and therefore, LPL does not have an incentive to select one fund or Program Share Class over another solely on the basis of the 12b-1 fee. In addition, LPL does not share 12b-1 fees, recordkeeping fees, or revenue sharing payments with Advisors or PWP Advisors, and therefore, there is no financial incentive for an Advisor or a PWP Advisor to select one fund or a Program Share Class over another comparable fund or share class on the basis of the 12b-1 fee, recordkeeping compensation, and revenue sharing payments that the fund or Program Share Class charges or provides to LPL. Although LPL does not share recordkeeping fees or revenue sharing payments with Advisor or IARs, such fees and payments will increase LPL's profits and indirectly benefit Advisor and IARs, for example by increasing the value of equity awards from LPL's parent company to IARs or by being used by LPL to support marketing or training costs.

#### Cash Sweep Arrangements

LPL makes available programs for cash in an account to be automatically swept to an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account (or under certain unlikely circumstances, into money market mutual funds), and for certain types of accounts, a money market fund. For more information about which types of accounts are eligible to use the different sweep options, please speak to Advisor.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the "ICA")—LPL receives a fee equal to a percentage (up to 4%) of the average daily deposit balance in the ICA. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the "DCA")—LPL receives a flat monthly fee per account (approximately \$17 as of July 1, 2019) based upon the prevailing fed funds target rate. LPL's compensation under the DCA program is not affected by the actual cash amounts held in your account. The fees paid to LPL for its sweep programs reduces the interest rate paid on your cash funds, and depending on the interest rate and other market factors, LPL may receive a majority of the interest as fees. For additional information on ICA or DCA, please see the ICA Disclosure Booklet or the DCA Disclosure Booklet available from Advisor.





## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

For the narrow set of accounts that are set up for cash to sweep to a money market fund -- the available Sweep Funds typically pay higher 12b-1 fees than other money market funds. In addition, LPL receives compensation of up to 0.35% annually of the LPL client assets invested in the Sweep Funds for recordkeeping services it provides for the funds. LPL also receives up to 0.15% annually of the LPL client assets invested in the Sweep Funds in connection with marketing support services LPL provides to the Sweep Fund sponsors. Together, the 12b-1 fees, recordkeeping fees, marketing support payments, and other compensation from Sweep Funds and their sponsors, allow LPL to receive up to 1% annually of LPL client assets in the Sweep Funds.

The compensation that LPL receives related to the ICA, DCA and the Sweep Funds is in addition to the Account Fee received with respect to the assets in the sweep investment. This compensation related to the ICA, DCA and Sweep Funds is an important revenue stream and presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in the ICA, DCA or Sweep Funds. However, the compensation LPL receives on ICA, DCA and Sweep Funds is retained by LPL and is not shared with Advisors. LPL Research does not take into account this compensation when it makes decisions on a Portfolio's allocation to cash.

Clients should understand that, depending on interest rates and other market factors, the yields on the ICA, DCA and Sweep Funds have been, and may continue in the future to be, lower than the aggregate fees and expenses received by LPL for a client's participation in the cash sweep programs. This may result in a client experiencing a negative overall investment return with respect to cash reserves in the cash sweep programs. Interest rates under ICA and DCA may be lower than the interest rates available if clients make deposits directly with a bank or other depository institution outside of the Program or invests in a money market fund or other cash equivalent. Clients should compare the terms, interest rates, required minimum amounts and other features of the ICA and DCA programs with other types of accounts and investments for cash.

#### Collateralized Lending Arrangements

LPL has partnered with certain banks to help facilitate clients' access to non-purpose lines of credit collateralized by their investment accounts. Because of LPL's arrangements with the banks participating in the program, clients may be limited in their ability to negotiate the most favorable loan terms. Clients are not required to use the banks in LPL's program, and can work directly with other banks to negotiate loan terms or obtain other, potentially more favorable, financing arrangements. If a Client obtains a loan from a non-partner bank, he should notify Advisor of the amount of the line of credit. Clients should understand that the interest and additional fees paid to the bank in connection with the loan are separate from and in addition to the advisory fees the client pays LPL for its advisory services on the account.

LPL receives third party compensation from participant banks based on the amount of outstanding loans. Compensation can be up to 0.75% of the outstanding loan amount. This compensation to LPL varies, and, therefore, LPL can earn more or less depending on the bank selected by the client. The receipt of compensation poses a conflict of interest to LPL because LPL has a financial incentive for the client to select a bank in the program, as well as a participating bank that pays LPL more than other participating banks. However, LPL does not share this compensation with Advisor, and therefore, Advisor does not have a financial incentive if one bank is selected over another. LPL and Advisor have an interest in continuing to receive investment advisory fees, which gives LPL and Advisor an incentive to recommend that clients borrow money rather than liquidate some of their assets managed by LPL and Advisor. This incentive creates a conflict of interest for LPL and Advisor when advising clients seeking to access funds on whether they should liquidate assets or instead hold their securities investments and utilize a line of credit secured by assets in their account. Because LPL and Advisor are compensated primarily through advisory fees paid on clients' accounts, LPL and Advisor also have an interest in managing an account serving as collateral for a loan in a manner that will preserve sufficient collateral value to support the loan and avoid a bank call. This may present a conflict of interest with clients because it could incentivize Advisor to invest in more conservative, lower performing investments to maintain the stability of the account.

For additional disclosures regarding LPL's collateralized lending program, including a list of the banks currently participating in the program, please visit [lpl.com/disclosures.html](http://lpl.com/disclosures.html), click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### Credit Cards

As part of its cash management services, LPL makes available for its customers credit cards through a partner bank. LPL receives a flat fee for each new activated credit card that is used by the cardholder in the first 90 days. LPL also receives a portion of the transaction volume of the cardholder's account. LPL's portion of the transaction volume varies depending on the number of LPL active cardholder accounts.

### Other Clients

Client should understand that LPL and Advisor perform advisory and/or brokerage services for various other clients, and that LPL and Advisor may give advice or take actions for those other clients that differ from the advice given to the client. The timing and nature of any action taken for the account may also be different.

### Review of Accounts

LPL provides Advisor and/or clients with regular written reports and statements regarding their accounts. LPL provides Advisor, and clients, if so directed by Advisor, annual performance information describing account performance. In addition, LPL sends to clients account statements showing transactions, positions, and deposits and withdrawals of principal and income. Portfolio values and returns shown in performance reports for the year-end time period may include mutual fund dividends paid out prior to December 31 but that were posted to the account within the first 2 business days of the subsequent year. The inclusion of such dividends in the year-end performance report may cause discrepancies between the report and the account statement client receives from LPL for the same period.

### Other Compensation

PWP Advisors reimburse LPL for costs associated with the use of technology necessary for a PWP Advisor to perform its services under the program. LPL and LPL employees also receive additional compensation from product sponsors, such as a PWP Advisor. Such compensation may not be tied to the sales of any products or services. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer appreciation events or marketing or advertising initiatives. Product sponsors may also pay for, or reimburse LPL for the costs associated with, education or training events that may be attended by LPL employees and for LPL-sponsored conferences and events. LPL and LPL employees also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers.

LPL employees provide sales support resources to Advisor that use LPL advisory programs. The compensation that LPL pays to these employees varies based on the assets in LPL's different advisory programs. These sales employees have an incentive to promote PWP to Advisor over other advisory programs. These employees also earn more compensation when Advisors transition client assets from brokerage accounts to advisory accounts, and have a financial incentive to encourage Advisors to transition brokerage accounts to advisory.

LPL receives compensation in the form of earnings on its short-term investment of cash in program accounts prior to the time the cash is invested for the account. These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account. For accounts that opt out of the sweep program, the accounts may remain in free credit balance. In such cases, LPL receives compensation in the form of earnings on cash. LPL does not share this compensation with Advisor.

In the event a trade error occurs in the Account, and such error is determined to be caused by LPL, LPL typically will cancel the trade and remove the resulting monetary loss to the client from the account. If a trade correction is required as a result of client (e.g., if client does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), LPL typically will cancel the trade and any resulting monetary loss will be borne by the client. In the case of a trade that requires a correction as described above and that resulted in a monetary gain to the client, such gain will be removed from the account and can result in a financial benefit to LPL.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

LPL pays compensation to Advisor, which includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to the Advisor and/or its representatives. For example, LPL may pay additional compensation to Advisor or its representatives by providing equity awards from LPL's parent company, LPL Financial Holdings Inc., consisting of awards of either restricted stock units (a promise to deliver stock in the future) or stock options to purchase stock, in each case subject to satisfaction of vesting and other conditions, payments in the form of repayable or forgivable loans, reimbursement of administrative servicing fees or technology fees that Advisor and/or its representatives pays to LPL, free or reduced-cost marketing materials, payments in connection with the transition of Advisor's business from another firm to LPL, or attendance at LPL's conferences or events.

Individuals of Advisor also may be associated with LPL as broker-dealer registered representatives and/or investment advisor representatives.

LPL also provides various benefits and/or payments to third party investment advisor firms with broker-dealer registered representatives that are newly associated with LPL to assist the firm with the costs (including foregone revenues during account transition) associated with transitioning its business to LPL (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the firm's business, satisfying any outstanding debt owed to its prior affiliated firm, offsetting account transfer fees (ACATs) as a result of the firm's clients transitioning to LPL's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the firm at its prior affiliated firm. Such payments are generally based on the size of the firm's business established at its prior affiliated firm, for example, a percentage of the revenue earned or assets serviced at its prior affiliated firm. These payments are generally in the form of payments or loans to the firm with favorable interest rate terms as compared to other lenders, which are paid by LPL or forgiven by LPL based on years of service with LPL (e.g., if the firm remains with LPL for 5 years) and/or the scope of business engaged in with LPL. LPL does not verify that any payments made are actually used for such transition costs. Clients should refer to the third party investment advisor firm's Form ADV brochure for more information about conflicts of interest.

LPL also makes payments to such firms in connection with the transition of certain advisory business to LPL from his or her prior firm that is not approved on LPL's platform. These payments are tied to the amount of client assets that are transitioned from an unapproved platform at the prior firm to LPL's advisory programs.

The receipt of Transition Assistance creates a conflict of interest in that a firm has a financial incentive to recommend that a client open and maintain an account with the firm and LPL for advisory, brokerage and/or custody services, and to recommend switching investment products or services where a client's current investment options are not available through LPL, in order to receive the Transition Assistance benefit or payment. LPL attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to clients, rather than the Transition Assistance earned by any particular firm. However, clients should be aware of this conflict and take it into consideration in making a decision whether to establish or maintain a relationship with LPL.

#### LPL Interests in Investment Advisers

As part of its business initiatives, LPL acquires or may take a financial interest in third-party investment advisers ("RIA Firms") that utilize LPL as their custodian. These RIA firms offer LPL's investment advisory programs to their clients, and LPL earns compensation as a result of their use of its programs. When LPL acquires an RIA Firm and integrates that RIA Firm into LPL's investment adviser, it registers the investment adviser representatives ("IARs") with it and they (and any other staff retained or engaged by LPL) become subject to LPL's code of ethics and have new and different conflicts of interest when recommending investment advisory products to clients. The IARs may brand their financial services practice under the RIA Firm's prior name (Doing-Business-As or "DBA" name), but they will be offering all advisory services through LPL. Alternatively, LPL may acquire the RIA Firm and continue operating it as a going concern. There, the IARs remain IARs of the RIA Firm, and LPL amends its



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

regulatory records to reflect the RIA Firm as an affiliate. In the event LPL takes a limited financial interest in an RIA Firm, the terms of the ownership interest will dictate LPL's share of the RIA Firm's advisory revenue and other sources of income. In all cases, LPL has a financial interest in the success of the RIA Firm. IARs of LPL have access to different products and services than LPL makes available to the financial professionals of third-party RIA Firms. Clients should ask their financial professional about the extent to which LPL has a financial interest in their practice.

#### Financial Information and Custody

LPL is a qualified custodian as defined in Rule 206(4)-2 under the Advisers Act and maintains custody of PWP client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements monthly when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements.

#### Brokerage Practices

In PWP, LPL requires that clients direct LPL as broker-dealer to execute transactions in the account. Clients should understand that not all advisors or program sponsors require their clients to direct brokerage. The fact that LPL is both the investment advisor and broker-dealer on the account presents a conflict of interest. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money. However, clients should understand that LPL is not paid a commission for executing transactions in PWP accounts. In addition, in the case of mutual funds, execution is made at the net asset value of the fund. Although LPL is not paid a commission or transaction charge for transactions in the account, LPL bears costs for each transaction made in an account. This presents a conflict of interest because these costs may be a factor LPL considers when deciding which securities to select and whether or not to place transactions in an account. However, LPL mitigates this conflict by compensating the team responsible for directing the trades through a bonus based on the performance of the portfolios; therefore, the team is not incentivized by cost reduction.

Dividends paid by securities in a client's account may be automatically reinvested or may be paid to the client in cash. In general, mutual fund dividends will be reinvested in the specific mutual fund paying the dividend, while dividends for equity securities, ETFs and ETNs will generally be paid in cash. Interest on fixed income securities is paid in cash.

If a Portfolio is selected that includes a Muni Model, the PWP Advisor will have discretion to purchase and sell securities in the Muni Sleeve of the account. In connection with its duty to seek to achieve best execution, the PWP Advisor may choose to execute transactions through a broker-dealer other than LPL. In such case, the execution price may include a commission, markup or markdown, or other charges in addition to the Account Fee. Clients should read and understand the brokerage practices and other disclosures in the Firm Brochure of the PWP Advisor for the Muni Model.

LPL will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. LPL also will aggregate rebalancing transactions for an account with other program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPL may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, LPL will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

#### Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees or officers of LPL. Note that although these individuals are responsible for investment advice provided by LPL, they are not responsible for the ongoing individualized investment advice provided to a particular client. For more information about the Advisor, client should refer to the Advisor's Firm Brochure, which should have been provided at the time client opened the account. If client did not receive Advisor's Firm Brochure, client should contact the Advisor.



## ACCOUNT PACKET

## PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### BROCHURE SUPPLEMENTS

October 3, 2022

Marc Andrew Zabicki  
Louis James Carpenetti  
Benjamin Lawrence Hargett  
Jason Hoody

Jeffrey Roach  
Lawrence Dean Gillum  
Quincy Krosby  
Richard Scott Brown

1055 LPL Way  
Fort Mill, SC 29715  
(704) 733-3300  
[www.lpl.com](http://www.lpl.com)

Jeffrey Alan Buchbinder  
Barry Seth Gilbert

75 State Street, 22nd Floor  
Boston, MA 02109  
(617) 423-3644

These Brochure Supplements provide information about certain LPL employees or officers that supplements the LPL Financial Brochure that is attached to these Brochure Supplements. Please contact LPL Financial at the number above if you did not receive the LPL Financial Brochure or if you have any questions about the contents of these Brochure Supplements. You may also contact your LPL investment advisor representative with questions.

Additional information about these LPL employees or officers is available on the SEC's website at <https://adviserinfo.sec.gov/>.

Note that although these LPL employees or officers included in these Brochure Supplements are responsible for investment advice provided by LPL they are not the IARs responsible for the ongoing individualized investment advice provided to a particular client. For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with the LPL Financial Brochure and these Brochure Supplements at the time client opened the account. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at [lplfinancial.adv@lpl.com](mailto:lplfinancial.adv@lpl.com).

#### **Marc Andrew Zabicki**

##### **Educational Background and Business Experience**

Marc Zabicki was born in 1966. He has a BS in Economics from Florida State University and he is a Chartered Financial Analyst (CFA). He is a Senior Vice President and Director of Research for LPL Research and has been with the firm since 2020. Prior to joining LPL, he was Chief Investment Officer at Bower Hill Capital Management.

##### **Disciplinary Information**

None.

##### **Other Business Activities**

Mr. Zabicki is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

##### **Additional Compensation**

Mr. Zabicki receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over

others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

##### **Supervision**

Mr. Zabicki is responsible for the advice provided by the LPL Research Department through LPL's advisory programs, and he reports to Rob Pettman, Executive Vice President. The advice provided by Mr. Zabicki is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer ("CCO"), Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## ACCOUNT PACKET

### PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

#### Louis James Carpenetti

##### **Educational Background and Business Experience**

Louis James Carpenetti was born in 1971. He has a BS in Management from Palm Beach Atlantic University, an MBA from Georgia College & State University, a CFA Charterholder and has earned the CFP® certification. He is Senior Vice President of Trading at LPL and joined LPL in July 2021. Prior to joining LPL, Mr. Carpenetti was Managing Director for Truist for 22 years serving in a variety of management and trading capacities.

##### **Disciplinary Information**

None.

##### **Other Business Activities**

Mr. Carpenetti is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

##### **Additional Compensation**

Mr. Carpenetti receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

##### **Supervision**

As Senior Vice President, Mr. Carpenetti is responsible for trade execution in LPL's advisory programs, subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

#### Benjamin Lawrence Hargett

##### **Educational Background and Business Experience**

Benjamin Lawrence Hargett was born in 1974. He has a BS in Finance, Insurance, and Real Estate from the University of North Carolina at Greensboro and an MBA from Wake Forest University. He is Vice President for LPL Research and has been with the firm since 2015. Prior to joining LPL, he held investment analyst and portfolio manager positions at Wells Fargo.

##### **Disciplinary Information**

None.

##### **Other Business Activities**

Mr. Hargett is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

##### **Additional Compensation**

Mr. Hargett receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

##### **Supervision**

Mr. Hargett reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hargett is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### Jason Hoody

#### **Educational Background and Business Experience**

Jason Hoody was born in 1975. He has a BS in Political Science from Clarkson University, an MA in International Affairs from American University, an MS in Finance from Johns Hopkins University, and is a CFA charterholder. He is a Vice President in Research at LPL and joined LPL in 2015. Prior to joining LPL, he was a Vice President at BB&T and an analyst at KPMG.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

None.

#### **Additional Compensation**

Mr. Hoody receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Hoody reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hoody is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### Jeffrey Roach

#### **Educational Background and Business Experience**

Jeffrey Roach was born in 1973. He has a BS in Mathematics from Bob Jones University and a MA and PhD in Economics from Clemson University. He is Vice President, Research at LPL and joined LPL in 2022. Prior to joining LPL, Dr. Roach was Senior US Economist for Visa Inc, Managing Director, Economist at MacroView Partners and Chief Economist at Horizon Investments.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Dr. Roach is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Dr. Roach receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Roach reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Roach is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### Lawrence Dean Gillum

#### **Educational Background and Business Experience**

Lawrence Gillum was born in 1974. He has a BS from University of Florida and a Master in Business Administration from the University of North Carolina, Keenan Flagler Business School. He is an Assistant Vice President of Research at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Gillum served as a Director at Raymond James where he oversaw fixed income research within the firm's discretionary model platform.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Gillum is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Gillum receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Gillum reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gillum is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### Quincy Krosby

#### **Educational Background and Business Experience**

Quincy Krosby was born in 1948. She has an MPhil and PhD from The London School of Economics. She is Chief Equity Strategist at LPL and joined LPL in 2022. Prior to joining LPL, Ms. Krosby worked at Prudential Financial as Chief Market Strategist.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Ms. Krosby is a registered representative of LPL. However, she does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Ms. Krosby receives a regular salary.

#### **Supervision**

Ms. Krosby reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. This is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.





## ACCOUNT PACKET

# PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE

### Scott Brown

#### **Educational Background and Business Experience**

Richard "Scott" Brown was born in 1991. He received a Bachelor of Science in Business Administration and a minor in Economics from Auburn University in 2016 and the Chartered Market Technician designation in 2019. He is a Senior Analyst and the Technical Market Strategist at LPL and joined LPL in 2016. Prior to joining LPL, Mr. Brown was financial advisor with Strauss Financial Group in Birmingham, AL.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Brown is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Brown receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Brown reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Brown is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### Jeffrey Alan Buchbinder

#### **Educational Background and Business Experience**

Jeffrey Alan Buchbinder was born in 1971. He has a BA in Economics from Northwestern University and an MBA from Duke University. He is a Vice President, Equity Strategist and Portfolio Manager for LPL Financial Research and has been with the firm since 2003. Prior to joining LPL, he served as an Equity Research Associate at Sanford C. Bernstein. Prior to Bernstein, he was an Equity Research Associate at Deutsche Bank.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Buchbinder is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Buchbinder receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Buchbinder reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Buchbinder is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## **ACCOUNT PACKET**

# **PERSONAL WEALTH PORTFOLIOS - PROGRAM BROCHURE**

## **Barry Seth Gilbert**

### **Educational Background and Business Experience**

Barry Seth Gilbert was born in 1967. He has a BA in Philosophy from Haverford College, an MA from the Pennsylvania State University, and a PhD from Boston University. He is a Vice President and Portfolio Manager for LPL Research and has been with the firm since 2013. Prior to joining LPL, he taught at Harvard University.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Gilbert is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Gilbert receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Gilbert reports to Mr. Zabicki the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gilbert is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

1055 LPL Way, Fort Mill, SC 29715

