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ADV Part 2A Appendix 1
Item 1 - Wrap Fee Program Brochure

March 31, 2022

This wrap fee program brochure provides information about the qualifications and investment advisory business practices of Benjamin F. Edwards & Co. If you have any questions about the contents of this brochure, please contact us at (855) 825-6885 or ADV@benjaminfedwards.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 Benjamin F. Edwards & Co. also is available on the SEC's website at adviserinfo.sec.gov.

Please note that references to BFE as being "registered" is not intended to reflect that the Firm or its representatives have special skills or training; it is used only to reflect the status of the Firm with respect to Section 203 of the Investment Advisers Act of 1940.

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Item 2 - Material Changes to Benjamin F. Edwards & Co.'s Wrap Fee Program Brochure

The following updates to Benjamin F. Edwards & Company's (BFE) Wrap Fee Program Brochure disclosure document were made since our required annual update, which occurred on March 31, 2021:

March 31, 2022

BFE has added a new advisory program titled Benjamin F. Edwards Equity Portfolios. The program details and associated costs are outlined in *Item 4 - Services, Fees and Compensation* on Page 9 and in *Item 9 - Additional Information* starting on Page 38.

Additionally, BFE added information about its Investment Strategy Committee serving as portfolio managers of the advisory programs offered by BFE. This information resides in the section titled *Item 6 - Portfolio Manager Selection and Evaluation*, which begins on Page 26.

July 1, 2021

BFE updated its Separately Managed Portfolios (SMP) program. To assist with the management and trading services for select SMP accounts, BFE or a third-party service providers can trade or rebalance the account in their discretion using the model provided directly by the selected asset manager. BFE clients' original Investment Advisory Agreements remains in full effect, including the authorization of BFE to implement the previously selected strategy. The selected asset managers and strategies will not change nor will the client fee. For more detail, please see SMP program details in *Item 4 - Services, Fees and Compensation*, which begins on Page 11.

March 31, 2021

In *Item 4 – Services, Fees and Compensation*, BFE updated several of its advisory programs. More detail on these changes begins on Page 5. A list of advisory programs that have changed, along with a summary of the update, is as follows:

***Benjamin F. Edwards Mutual Fund Portfolios* – This program was updated to allow use of exchange traded funds ("ETFs").**

***Benjamin F. Edwards Mutual Fund Model Strategies* – This program was updated to allow use of ETFs.**

***Benjamin F. Edwards Active Passive Portfolios* – This program was updated to allow use of actively or passively managed mutual funds and ETFs.**

***Benjamin F. Edwards Custom Mutual Fund Portfolios* – On April 1, 2021, BFE discontinued the opening of new accounts in this program. For existing accounts opened prior to April 1, 2021, which BFE will continue to support, this program was updated to allow the use of ETFs. BFE also updated the program to allow for conversions of mutual funds to equivalent ETFs under certain circumstances described in more detail on Page 9.**

Benjamin F. Edwards Client Portfolios **– BFE updated the program to allow for conversions of mutual funds to equivalent ETFs under certain circumstances described in more detail on Page 10.**

Benjamin F. Edwards Private Portfolios **– This program was updated to provide the financial advisor the discretion to utilize solutions offered by other investment advisors (BFE and/or third-party asset managers).**

BFE also updated language in *Item 4 – Services, Fees and Compensation* in the section titled *Compensation Associated with Internal Product Expenses*. The updates, which begin on Page 15, pertain to the mutual fund share class disclosure language.

A complete copy of Benjamin F. Edwards & Co.'s most recent ADV Part 2A Appendix 1 Wrap Fee Program Brochure is available on our website at benjaminfedwards.com. To access this document online, click on "Important Disclosures" at the bottom of the page, and then select "Investment Advisory Program Disclosures." Alternatively, clients may obtain a complimentary copy by contacting their financial advisor, calling BFE's home office at (855) 825-6885 or requesting one by e-mail to ADV@benjaminfedwards.com. Additional information about Benjamin F. Edwards & Co. is available on the SEC's website at adviserinfo.sec.gov.

ADV Part 2A Appendix 1 Wrap Fee Program Brochure

Item 3 - Table of Contents

Section headings are keyed to SEC form ADV 2A Appendix 1. If particular sections of the form are not applicable, this document will so state.

ADV Part 2A Appendix 1 Wrap Fee Program Brochure

Item 4 - Services, Fees and Compensation

Benjamin F. Edwards & Company ("BFE" or the "Firm") offers investment advisory services through the following wrap fee based advisory programs:

- Benjamin F. Edwards Mutual Fund Portfolios
- Benjamin F. Edwards Mutual Fund Model Strategies
- Benjamin F. Edwards Active Passive Portfolios
- Benjamin F. Edwards Exchange Traded Fund Portfolios
- Benjamin F. Edwards Equity Portfolios
- Benjamin F. Edwards Custom Mutual Fund Portfolios
- Benjamin F. Edwards Client Portfolios
- Benjamin F. Edwards Private Portfolios
- Benjamin F. Edwards Separately Managed Portfolios
- Benjamin F. Edwards Unified Managed Account
- Lockwood Asset Allocation Portfolios
- Lockwood Investment Strategies
- Investment Management Consulting (with Execution)*

Services and Fees

BFE's wrap fee investment advisory accounts are not the same as transaction-oriented brokerage accounts.

In a brokerage account, the relationship between the client and the financial advisor is centered on transactions. Therefore, a client pays a separate commission for each transaction that covers the cost of executing the transaction, and certain related services and incidental advice. For example, if a client desires that a financial advisor make recommendations in connection with a brokerage account, the financial advisor will document, usually at account opening, certain suitability characteristics based on questions contained in the Firm's new account form. Based on that information, the financial advisor, from time to time, provides incidental recommendations or advice. Transaction commissions also compensate the Firm for some non-transaction-related services such as delivery of account statements and required documents such as prospectuses and proxy mailings; and, if desired, custody services for securities owned by the client.

In an investment advisory account, on the other hand, the relationship between the client and the financial advisor is centered on advice. Therefore, in a wrap-fee based advisory account, a client pays a fee based on the value of assets in the account, which compensates the Firm for more comprehensive initial client assessment, ongoing investment advice, ongoing monitoring of the account, the cost of any transactions that may be affected, and for certain responsibilities and risks that BFE assumes in connection with being a statutory fiduciary that is subject to a different regulatory scheme. For example, to better align the Firm's interests with those of the client, the investment advisory regulatory scheme prevents BFE from engaging in some of the same types of transactions that it could if the account were a brokerage account, such as certain transactions where BFE is a counterparty to the transaction without the client's consent (as opposed to acting solely as agent for the client).

In addition, BFE will serve as a fiduciary as defined by the Department of Labor for certain qualified retirement accounts.

As described more in this disclosure brochure, BFE offers wrap programs that involve the use of third-party asset managers. Under the same regulations that require BFE to deliver this disclosure brochure to our clients, third-party asset managers also must produce and distribute disclosure brochures to BFE clients when applicable. Delivery of the third-party asset manager's disclosure brochures is handled by Lockwood at the outset of the relationship. Third-party asset managers also have an obligation to deliver annually updated disclosure brochures and when material updates are made throughout the year. Delivery for the updated disclosure brochures is solely the responsibility of the third-party asset manager. Clients may inquire through BFE or their financial advisor if they would like a copy of the third-party manager's disclosure brochure. BFE will work on a best-efforts basis to obtain the disclosure brochure to provide to our clients.

With that background, services provided as part of the wrap fee for wrap fee based advisory accounts include:

- Access to a BFE advisor for personal service and financial advice
- Review of suitability based on information provided in advisory agreement, new account form and client interview*
- Portfolio management services*
- Monthly account statements
- Performance reporting *
- Fee billing*
- Execution of transactions
- Custody and clearance of securities*
- Delivery of required documents, such as mutual fund prospectuses and proxy mailings
- Administration of requests for reasonable restrictions on the management of accounts
  ** These services may or may not be provided in the Investment Management Consulting (with Execution) program depending on the services negotiated and agreed upon. See the Investment Management Consulting (with Execution) section that follows for further detail.*

Additional services may be provided based on the advisory program selected. In addition, some of the services above will vary in situations where any assets are held with the issuer or a custodian other than Pershing LLC (Pershing), as described further below. Fees and additional services for each program, including additional information about the fees applicable to investment advisory accounts, are as follows:

Benjamin F. Edwards Mutual Fund Portfolios

Benjamin F. Edwards Mutual Fund Portfolios is a discretionary advisory program in which the portfolios are comprised of mutual funds and/or exchange traded funds (ETFs). Traditionally, this program has invested solely in mutual funds, hence the name of the program. However, with the evolution of ETFs it is possible that an ETF will be utilized in this program if deemed to be an appropriate vehicle to be used for economic or investment reasons. The asset allocation models include a variety of asset types that, together, offer appropriate style diversification (i.e., diversification among large, mid and small-cap funds, as well as value vs. growth strategies, as well as models with exposure to alternative investments) to accommodate each investment objective. Additionally, models containing only alternative investments are available. Clients will work with their financial advisor to determine the asset allocation model most appropriate for their needs. The models developed and used by BFE are strategic in nature. Changes may occur from time to time to style (sub-category) allocations, but adjustments to the asset allocation (equity vs. fixed income) are expected to be infrequent. The models are designed to provide the investor with broad style diversification. Where appropriate, multiple funds are selected for a style to provide additional diversification.

The annual fee for this advisory service is as follows:

First $250,000 in assets = 1.50%
Next $250,000 in assets = 1.25%
Next $500,000 in assets = 1.00%
Amounts greater than $1,000,000 = 0.75

Additional Services:

- BFE shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research on the mutual funds and ETFs offered in the Benjamin F. Edwards Mutual Fund Portfolios
- Maintenance and trade implementation of the fund models
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Benjamin F. Edwards Mutual Fund Model Strategies

Models in this program are provided by Russell Investments and American Funds. Mutual Fund Model Strategies is a discretionary advisory program.

Russell offers three sets of models: mutual fund only, tax managed mutual fund only, and hybrid models that utilize exchange traded products and mutual funds. In these models, the mutual funds are Russell Investment's funds and the exchange trade products are not Russell products. Russell provides the models and the funds to use within each model. These models allow for balanced and diversified portfolios.

American Funds offers a suite of models comprised of American Funds' funds. Currently, these models are comprised of mutual funds; however, with the evolution of actively managed ETFs, American Funds may deem it appropriate to use ETFs in these models in the future. American Funds provides the models and the funds to use within each model. These models are diversified objective based portfolios.

Clients will work with their financial advisor to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service is as follows:

First $250,000 in assets* = 1.50%
Next $250,000 in assets = 1.25%
Next $500,000 in assets = 1.00%
Amounts greater than $1,000,000 = 0.75%
* For the American Funds models, there is a minimum fee of $125 per year.

Additional Services:

- BFE shall invest, reinvest, sell, or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence, and research by BFE on the Model Strategies
- Ongoing monitoring, due diligence, and research by the model providers on the funds and allocations
- Maintenance and trade implementation of the mutual fund models on BFE's platform
- Rebalancing of the funds to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Benjamin F. Edwards Active Passive Portfolios

Benjamin F. Edwards Active Passive Portfolios is a discretionary portfolio advisory program that combines mutual funds and exchange traded funds (ETFs) in a suite of models. The mutual funds and ETFs used in this program are a combination of actively managed and passively managed products to provide exposure to both methodologies of investing in one account. The asset allocation models include a variety of asset types that, together, offer appropriate style diversification (i.e., diversification among large, mid and small-cap funds, as well as value vs. growth strategies as well as models with exposure to alternative investments) to accommodate each investment objective. Clients will work with their financial advisor to determine the asset allocation model most appropriate for their needs. The models developed and used by BFE are strategic in nature. Changes may occur from time to time to style (sub-category) allocations, but adjustments to the asset allocation (equity vs. fixed income) are expected to be infrequent. The models are designed to provide the investor with broad style diversification. Where appropriate, multiple funds are selected for a style to provide additional diversification.

The annual fee for this advisory service is as follows:

First $250,000 in assets = 1.50%
Next $250,000 in assets = 1.25%
Next $500,000 in assets = 1.00%
Amounts greater than $1,000,000 = 0.75%

Additional Services:

- BFE shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research on the mutual funds and ETFs offered in the Benjamin F. Edwards Active Passive Portfolios
- Maintenance and trade implementation of the models
- Rebalancing of the securities to conform to the investment allocations per the frequency selected and as needed for deposits/withdrawals

Benjamin F. Edwards Exchange Traded Fund Portfolios

Benjamin F. Edwards Exchange Traded Fund Portfolios is a discretionary advisory program that utilizes exchange traded funds (ETFs) and/or exchange traded notes (ETNs) as the portfolio's investment vehicles. BFE, Confluence Investment Management LLC (Confluence), First Trust Portfolios L.P. (First Trust), Laffer Tengler Investments (Laffer), and Morningstar Investment Services, LLC (Morningstar) serve as the model providers for this program and supply the models and recommendations for specific investments within each model. BFE may modify those recommendations when implementing the program. The Confluence models are style-diversified and cyclical in nature. The First Trust models are designed to meet core equity and core fixed income objectives or to meet broadly defined risk profiles. Laffer provides a global equity strategy model and a U.S. inflation model. BFE and Morningstar Strategic Ibbotson models are style-diversified and strategic in nature. We continue to support the Morningstar Contrarian models for existing clients that follow a contrarian strategy, but they are no longer open for new clients to purchase. Clients will work with their financial advisor to determine the asset allocation model most appropriate for their needs.

The annual fee for this advisory service using the Confluence, First Trust and Laffer models is as follows:

First $250,000 in assets = 2.25%
Next $250,000 in assets =1.75%
Next $500,000 in assets = 1.50%
Amounts greater than $1,000,000 = 1.25%

The annual fee for this advisory service using the Morningstar Strategic Ibbotson models is as follows:

First $250,000 in assets = 1.75%
Next $250,000 in assets = 1.50%
Next $500,000 in assets = 1.25%
Amounts greater than $1,000,000 = 1.00%

The annual fee for this advisory service using the BFE models is as follows:

First $100,000 in assets* = 1.25%
Next $250,000 in assets = 1.00%
Amounts Greater than $350,000 = 0.75%
* For these models, there is a minimum fee of $125 per year

Additional Services:

- BFE shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFE on Confluence Investment Management LLC, First Trust Portfolios L.P., Laffer Tengler Investments and Morningstar Investment Services
- Ongoing monitoring, due diligence and research by Confluence Investment Management LLC, First Trust Portfolios L.P., Laffer Tengler Investments and Morningstar Investment Services in connection with securities and allocations that they recommend
- Maintenance and trade implementation of the models
- Rebalancing of the securities to conform to the investment allocations and as needed for deposits/withdrawals

Benjamin F. Edwards Equity Portfolios

Benjamin F. Edwards Equity Portfolios is a discretionary model-based advisory program that uses a portfolio of individual equity securities. BFE has developed and utilizes a quantitative, factor-based approach with a qualitative overlay to manage the equity model(s).

The annual fee for this advisory service is negotiable and will not exceed 2.20% of the market value of the assets managed.

Additional Services:

- BFE shall invest, reinvest, sell, or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research on the equity securities offered in the Benjamin F. Edwards Equity Portfolios
- Monitoring and trade implementation of the stocks in the model(s) as needed to stay aligned with the stated investment strategy

Benjamin F. Edwards Custom Mutual Fund Portfolios

BFE discontinued this program on April 1, 2021. Going forward, the Benjamin F. Edwards Private Portfolios program or Client Portfolios program, which are described in detail on the following pages, will be utilized. BFE will continue to support the existing Benjamin F. Edwards Custom Mutual Fund Portfolios accounts that were opened prior to April 1, 2021 in accordance with the program features described in this section.

Benjamin F. Edwards Custom Mutual Fund Portfolios is a limited discretion model-based advisory program in which accounts are comprised of mutual funds and/or ETFs (collectively “Investment Funds”). The financial advisor and client will work together to identify an appropriate investment model. The client retains final decision-making authority with respect to the Investment Funds used, and the percentage allocated to each fund in the model. BFE has the ability to convert mutual funds into equivalent ETFs when the option exists with the issuer, is a tax-free event, and is deemed to be an appropriate option for the client. Limited discretion is granted to the financial advisor to:

- Rebalance the account on a discretionary basis to the model’s baseline allocation
- Invest cash deposits
- Sell and reinvest deposits of securities
- Sell funds for fees and requested withdrawals

The financial advisor will monitor the account to ensure it remains consistent with the strategy and make recommendations for changes as needed.

The annual fee for this advisory service is as follows:

First $250,000 in assets = 1.50%
Next $250,000 in assets = 1.25%
Next $500,000 in assets = 1.00%
Amounts greater than $1,000,000 = 0.75%

Additional Services:

- Recommendation of an asset allocation
- Maintenance and trade implementation of the Investment Fund model
- Rebalancing of the funds to conform to the investment allocations on a discretionary basis and as needed for deposits/withdrawals
- Recommendations by the financial advisor to invest, reinvest, sell or retain Investment Funds, if appropriate
- Ongoing monitoring of the account by the financial advisor

Benjamin F. Edwards Client Portfolios

Benjamin F. Edwards Client Portfolios is an advisory program where portfolio management services are provided to the client on a non-discretionary basis for a wrap fee based on the value of the account. As a non-discretionary account, the client retains final decision-making authority with respect to opening and closing transactions. BFE has the ability to convert mutual funds into equivalent ETFs when the option exists with the issuer, is a tax-free event, and is deemed to be appropriate option for the client. The financial advisor and client will work together to identify an appropriate investment strategy. The financial advisor will monitor the account to ensure it remains consistent with the strategy and make recommendations as needed.

The fee schedule is as follows:

First $250,000 = 2.00%
Next $250,000= 1.50%
Next $500,000 = 1.25%
Next $1,500,000 = 1.00%
Next $2,500,000 = 0.75%
Amounts greater than $5,000,000 = 0.65%

Additional Services:

- Recommendation of customized asset allocation
- Recommendations by the financial advisor to invest, reinvest, sell or retain assets, if appropriate
- Ongoing monitoring of the account by the financial advisor
- Advice by the financial advisor on the client's proposed unsolicited transactions

Benjamin F. Edwards Private Portfolios

Benjamin F. Edwards Private Portfolios is an advisory program where portfolio management services are provided to the client on a discretionary basis for a wrap fee based on the value of the account. As a discretionary account, the financial advisor is not required to contact the client prior to each transaction or investment decision. The client and financial advisor will work together to develop an investment strategy. When implementing the client's investment strategy, the financial advisor has the option to administer any portion of the allocation directly, or to employ solutions offered by BFE or a third-party. The financial advisor will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate.

The fee schedule is as follows:

First $250,000 = 2.25%
Next $250,000 = 1.75%
Next $500,000 = 1.50%
Next $1,500,000 = 1.25%
Next $2,500,000 = 0.85%
Amounts greater than $5,000,000 = 0.75%
Note: Use of the default fee schedule above will result in a blended fee percentage based on the overall value of the account. In instances where the client's account is comprised of more than 66% mutual funds, the maximum advisory fee will be the lesser of either the blended rate or a flat rate of 1.75%.

Additional Services:

- Investing, reinvesting, selling or retaining assets at the financial advisor's sole discretion, based on the client's suitability profile
- Utilizing solutions offered by other investment advisors (BFE and/or third-party asset managers) at the financial advisor's sole discretion, based on the client's suitability profile
- Ongoing monitoring and security selection by the financial advisor
- Development of an asset allocation
- Rebalancing of the securities as needed to conform to the investment allocations and/or for deposits/withdrawals

Benjamin F. Edwards Separately Managed Portfolios

The Benjamin F. Edwards Separately Managed Portfolios advisory program provides the client with an opportunity to access investment strategies of third-party asset managers that BFE makes available on its advisory platform. BFE and/or its delegates conducts initial and ongoing research and due diligence on these managers. BFE outsources the due diligence reviews of third-party asset managers to external parties that specialize in such reviews. BFE may rely on these outside parties when making recommendations to clients to use, terminate or replace an asset manager. BFE will utilize this due diligence along with evaluating the economic efficiencies, level of interest in the asset manager/strategy, and how the strategy fits into the strategic offering of the program when approving manager strategies for the program. Additionally, BFE performs ongoing monitoring of any external parties utilized for ongoing due diligence of third-party asset managers.

BFE is the sponsor of the program with the asset manager serving as the sub-advisor. Strategies may be implemented by the Manager directly or by the Manager providing models to BFE and/or Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing and a Registered Investment Adviser, who will manage the account per the model provided. Periodic information regarding the manager and its strategy will be available to BFE's financial advisors to provide to clients upon request.

The client pays one wrap fee that includes the asset manager fee. The annual fee for this advisory service varies based on the type of securities managed and is as follows:

	Equity/Balanced	**Fixed Income**
First $500,000 in assets	*2.75%*	*1.25%*
Next $500,000 in assets	*2.25%*	*1.15%*
Next $1,500,000 in assets	*1.75%*	*1.00%*
Amounts greater than $2,500,000	*1.25%*	*0.85%*

Additional Services:

- The Manager, BFE, or Lockwood, as applicable, shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring and due diligence on the manager strategies by BFE or delegate
- Ongoing monitoring, due diligence and research by the Manager on the securities utilized in the strategies
- Proxy voting by the Manager or Lockwood, as applicable, depending on election made on the client advisory agreement
    - If client elects the manager to vote the proxies, clients may contact their financial advisor to request information regarding how the proxies were voted

Benjamin F. Edwards Unified Managed Account (UMA)

UMA is a discretionary, multi-discipline managed account product housed in a single account.

There are six diversified core models that span the Firm's nine strategic allocation models. BFE is the sponsor, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing, serves as the overlay manager. BFE and Lockwood work together to determine the default asset allocation percentages and allowable bands for each model. Lockwood and BFE select the investments to be used for each style allocation, also known as each sleeve, of the core models. Additionally, Lockwood's investment committee and BFE approve each investment vehicle available in the UMA. A sleeve can contain a third-party asset manager's equity model, an exchange traded fund, a mutual fund or a combination of all three. Additionally, a mutual fund model or ETF model provided by BFE or a third-party strategist may be used within the UMA.

The BFE UMA is a flexible UMA in that once the client has selected a model, the Advisor has discretion to follow the core model as determined by BFE and Lockwood or to adjust asset allocation/style percentages within the allowable bands in addition to substituting in other approved investment vehicles. This customization and flexibility allows the Advisor to work with the client and tailor the UMA to their needs, objectives, preferences and circumstances.

The annual advisory fee for this advisory service, excludes (i) the separate asset manager's fee if a third- party asset manager's model is utilized (ii) the internal expenses of any of the mutual funds or ETFs used and (iii) the 0.10% sponsor fee (paid to BFE to cover the cost of running the program).

The annual advisory fee schedule is as follows:

First $500,000 in assets = 2.25%
Next $500,000 in assets = 1.75%
Next $1,500,000 in assets = 1.25%
Amounts greater than $2,500,000 in assets = 1.00%
Plus sponsor fee of 0.10% and cost of any manager from 0.00% - 0.50%

Additional Services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account per the model selected
- Ongoing monitoring, due diligence and research by BFE and/or Lockwood on the securities, managers and strategists available in the UMA
- Maintenance and implementation of the models
- Rebalancing of the securities to conform to the model allocations
- Proxy voting by Lockwood depending on election made on the client advisory agreement
    - If client elects for Lockwood to vote the proxies, clients may contact their financial advisor to request information regarding how the proxies were voted

Lockwood Asset Allocation Portfolios (LAAP)

LAAP is a discretionary, multi-discipline managed portfolio product. BFE is the sponsor of LAAP, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing, serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style component of LAAP based on proprietary models. These models may consist of open and closed-end mutual funds, exchange traded funds and other securities, as determined by Lockwood, at its sole discretion. We continue to support LAAP for existing clients, but the program is no longer open for new clients to purchase.

The annual fee for this advisory service is as follows:

First $500,000 in assets = 1.50%
Next $500,000 in assets = 1.25%
Next $1,500,000 in assets = 1.00%
Amounts greater than $2,500,000 = 0.75%

Additional Services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFE on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and trade implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/ withdrawals
- Proxy voting by portfolio manager, depending on election made on the client advisory agreement
    - If client elects the manager to vote the proxies, clients may contact their financial advisor to request information regarding how the proxies were voted

Lockwood Investment Strategies (LIS)

LIS is a discretionary, multi-discipline managed account product housed in a single account with five core models. The five (5) core models span the risk/return spectrum from a current income model to a growth model within the context of a diversified portfolio. If appropriate, a client may also choose from four (4) additional models which include exposure to non-traditional asset classes. BFE is the sponsor of LIS, and Lockwood Advisors, Inc. (Lockwood), an affiliate of Pershing, serves as the portfolio manager. As portfolio manager, Lockwood determines the asset allocation strategy and selects both sub-managers and specific investment vehicles for each investment style component of LIS based on proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline. These models may consist of stocks, bonds, open- and closed-end mutual funds, exchange traded funds and other securities as determined by Lockwood at its sole discretion. We continue to support LIS for existing clients, but the program is no longer open for new clients to purchase.

The annual fee for this advisory service is as follows:

First $500,000 in assets = 2.50%
Next $500,000 in assets = 2.00%
Next $1,500,000 in assets = 1.50%
Next $2,500,000 in assets = 1.00%
Amounts greater than $5,000,000 = 0.75%

Additional Services:

- Lockwood shall invest, reinvest, sell or retain assets in its sole discretion for this account
- Ongoing monitoring, due diligence and research by BFE on Lockwood
- Ongoing monitoring, due diligence and research by Lockwood on the securities and allocations
- Maintenance and implementation of the models
- As needed, rebalancing of the securities to conform to the investment allocations and for deposits/ withdrawals
- Proxy voting by third-party manager depending on election made on the client advisory agreement
    - If client elects the manager to vote the proxies, clients may contact their financial advisor to request information regarding how the proxies were voted

Investment Management Consulting (with Execution)

The Investment Management Consulting (with Execution) Program is a service whereby BFE may, based on a negotiated scope of services, consult with clients with respect to any or all of the services below, either on an ad-hoc or ongoing basis. BFE will not actually manage client assets as part of the Investment Management Consulting Wrap Program. As a wrap program, the cost of execution of transactions will be included in the advisory fee.

The advisory fee for this service will be a negotiated fixed or asset-based amount based on negotiated services to be provided.

Additional Services may include:

- Investment Policy Statement (IPS) Preparation
- Investment Policy Statement (IPS) Review
- Investment Policy Statement Monitoring
- Search and evaluation of investment alternatives
- Ongoing monitoring and due diligence by BFE of investment manager(s)
- Ongoing performance monitoring

- Past performance review
- Fee Billing
- Execution of transactions
- Custody of assets
- Performance Monitoring Reports
- Participate in Periodic Meeting

BFE offers multiple wrap programs with differing costs to BFE. As a result, the compensation received by your Financial Advisor varies between the wrap programs. The ability to offer multiple wrap programs can raise concerns that some programs would be favored over others. BFE manages these types of potential conflicts between programs through its policies and procedures, which include, internal trading review processes and trading oversight.

Legal and Tax Advice

BFE Financial Advisors do not provide legal or tax advice. It is recommended that clients discuss their personal situation with a tax or legal advisor.

Disclosure of Additional Fees and Compensation

Certain investment products or services available in BFE's investment advisory programs (collectively referred to as "products") provide additional compensation to BFE, its financial advisors and its custodian beyond the wrap fees applicable to the advisory programs discussed above. This additional compensation is used, among other things, to help pay for education and training of advisors, investment selection and management tools, and a variety of other expenses associated with maintaining an investment advisory platform. However, when BFE or a financial advisor receives any of the additional compensation described, they have an incentive to recommend or sell those products over products that do not provide such compensation, or which provide less compensation, rather than making recommendations based solely on clients' needs.

BFE addresses these conflicts of interest by disclosing the existence of the compensation in its various investment advisory disclosure documents, including making the documents available on its public website (benjaminfedwards.com, see "Important Disclosures"), so clients may make informed decisions whether to participate in programs that involve transactions in mutual funds or other products that present compensation-related conflicts of interest. In addition to disclosing these conflicts, the Firm has taken steps to mitigate and/or eliminate certain conflicts related to the receipt of payments from certain investment products. The efforts to mitigate and eliminate are described in the following section of this document titled Compensation Associated with Internal Product Expenses.

Compensation Associated with Internal Product Expenses

Investment company securities like mutual funds, exchange traded funds, closed-end funds, unit investment trusts, variable annuities, etc. (collectively referred to as "Funds") charge internal expenses, which are in addition to the wrap advisory fees you pay BFE. If you invest in Funds, you will pay your share of these expenses, which are typically charged as a percentage of the asset value under management. These fees and expenses have the effect of reducing the overall performance of the investment. All of a Fund's applicable fees are outlined in its prospectus, which your financial advisor can help you access prior to purchasing a Fund.

Some internal Fund expenses, such as the management fee and fund operating expenses, are retained by the product issuers or their affiliates. Other expenses, unique to mutual funds only, are shared with Pershing and/or BFE and include costs like distribution fees (12b-1 fees), service fees and recordkeeping fees (subtransfer agency fees, or "sub-TA fees"). Sub-TA fees are paid to BFE's clearing firm, Pershing, to compensate Pershing for the administrative and bookkeeping costs of maintaining those mutual fund positions on its platform. Neither BFE nor your financial advisor receives any portion of the sub-TA fee Pershing receives.

Mutual fund companies commonly offer multiple "share classes" of the same mutual fund. Different share classes in the same mutual fund are comprised of the same underlying basket of securities, but the classes differ based on the associated fees and compensation structures. A mutual fund's different share classes may include or exclude some of the fees mentioned above in this section (12b-1 fees, service fees, sub-TA fees, etc.). Industry terminology has been adopted to help investors understand the fees and costs they pay directly and/or indirectly for different share class categories. The following is a summary of three separate share class categories which highlights key differences in fees and expenses:

> **Unbundled Shares –** This share class contains the fewest number of cost and fee categories. Investors will pay the internal fees and costs associated with the management and operation of the mutual fund itself. This is generally the lowest cost share class a client can own in an advisory account.
>
> **Semibundled Shares –** This category of share class includes the fees and costs listed above for Unbundled Shares. It also includes Sub-TA fees, revenue sharing fees and platform/access fees. Semibundled Shares have a higher internal expense ratio than Unbundled Shares. Both Unbundled and Semibundled Shares are commonly used in advisory accounts.
>
> **Bundled Shares –** This share class includes the fees and costs listed above for both Unbundled Shares and Semibundled Shares. It also contains transactional costs, operational fees, loads and commission fees and 12b-1 fees. Because of the fees involved, and the associated load and commission fees, this share class is typically used in brokerage accounts, but it is also used in BFE advisory accounts for reasons detailed below. If this type of share class is used in a BFE's advisory account, any load and commission fees will be waived.

BFE ultimately determines the Funds that are available in our advisory programs and wherever possible, BFE seeks to use Semibundled share classes of mutual funds in advisory accounts. Clients should be aware that mutual funds in the Semibundled category are not the lowest-cost share class available. Clients should not expect to be invested in the lowest cost share class when participating in BFE's advisory programs. When BFE selects mutual funds in the Unbundled category, Pershing will levy additional transaction-based fees to BFE and/or our clients to compensate Pershing for the revenue lost when BFE does not select more expensive share classes. Funds in the Semibundled category compensate Pershing through internal sub-TA fees, meaning additional transaction-based fees do not generally apply. As such, and in order to reduce the operational costs to the Firm, BFE has an incentive to choose the Semibundled share class that compensates Pershing through sub-TA fees.

While BFE generally aims to use share classes intended for advisory accounts, clients should understand that BFE has the ability to choose share classes other than those designed specifically for advisory accounts. This may occur for a variety of reasons including that the Fund company may not offer advisory class shares for some or all of its mutual funds. Non-advisory share classes typically include internal distribution expenses (12b-1 fees), which is a cost clients bear and one that could compensate BFE directly. BFE mitigates this conflict of interest in that it does not accept 12b-1 fees in advisory accounts. If a mutual fund is used in any of BFE's advisory programs which pays BFE a 12b-1 fee, BFE credits the fee back to the client's advisory account.

BFE also uses more than one share class of the same mutual fund in its various investment advisory programs and sometimes in the same program. This could be because other share classes transfer into BFE advisory accounts from other firms, an advisor selects a share class which differs from share classes selected by other BFE advisors, or an advisor selects an Unbundled share class of a mutual fund without consideration to the Firm's operational costs. For programs that are administered by third-party asset managers, each individual asset manager is responsible for its own share class selection, which should be described in the asset manager's Form ADV 2A Brochure. Your financial advisor can provide an asset manager's Form ADV 2A brochure, should you wish to obtain a copy.

Because each share class of the same mutual fund generally invests in the same portfolio of securities, an investor who holds a less expensive share class will pay lower fees and as such, will earn higher investment returns than an investor who holds a more expensive share class of the same mutual fund. Clients should understand that the ability of the Firm and the advisor to use more expensive share classes creates a conflict of interest in that sales of the more expensive share classes benefit the Firm by offsetting expenses that would otherwise be incurred in the operation, management and oversight of its investment advisory platform.

Compensation Associated with Product-Related Marketing Support Payments

BFE also receives marketing support payments (sometimes known as revenue sharing or by similar terms) from a fund's investment adviser or other fund affiliate, as well as from insurance company product vendors, third-party asset managers, and other product, platform, or service-providers. Such payments are sought for the purpose of compensating BFE for its marketing and educational efforts associated with sales of the product, or to offset operational costs of the Firm. Such payments are paid as a percentage of the product's assets under management and/or as a percentage of the amount of purchases with BFE, or they are paid to BFE in lump sum amounts in the form of reimbursement for expenses associated with particular events such as motivational, training or education symposia for financial advisors or clients, as well as other events presented by BFE.

BFE does not receive such payments in connection with all funds, products, or providers, and furthermore, BFE has taken steps to eliminate advisory assets from these revenue sharing arrangements. Although BFE receives cash payments from some funds, products or providers, BFE's financial advisors do not receive any of the cash payments described above from vendors. On the other hand, BFE's financial advisors attend educational events paid for by vendors, and vendors reimburse financial advisors for the cost to travel to educational events as well as for the cost of meals and lodging at such events. This creates a conflict of interest because financial advisors have an incentive to recommend the products of vendors that provide and pay for educational events the financial advisors attend, even if the products of other vendors are less expensive or otherwise better meet their clients' needs. More information on these revenue sharing payments is available in BFE's "Revenue Sharing Disclosure" on the Firm's website at benjaminfedwards.com under the "Important Disclosures" section. BFE believes it is important for clients to understand BFE's revenue sharing and other third-party compensation arrangements so that clients can make informed decisions whether to participate in BFE's programs.

Compensation Associated with the Insured Bank Deposit Program

Clients have choices on how they invest cash balances including products like money market mutual funds. BFE also offers an FDIC-Insured Bank Deposit Program ("Deposit Program"), which sweeps cash held within accounts into an interest-bearing FDIC-insured cash account or money market funds. In the Deposit Program, BFE, Pershing and the Deposit Program Sponsor ("Sponsor") earn fees based on the amount of money invested in this program.

Clients are entered into the Deposit Program by default at the time of account opening but may withdraw from this program at any time by contacting their financial advisor.

BFE, Pershing, and the Sponsor can earn higher fees when money is invested in the Deposit Program than in other short-term cash alternative products. This means BFE has a conflict of interest because it has an incentive to recommend investment in the Deposit Program over money market mutual funds, or in other short-term asset-management products or products with the potential for higher returns.

The Sponsor establishes the parameters in which BFE participates in its Deposit Program. Essentially, BFE earns its compensation by retaining any residual interest after the initial yield that was paid by the participating banks for the client deposits has been reduced by the fees payable to Pershing and to the Sponsor, and the rate paid to the client. The fees paid to Pershing and the Sponsor are established at the outset. BFE is given the latitude to determine the final interest rate that will be earned by the client. Because BFE's compensation is earned from the residue, it effectively determines its own compensation, within the limits of the initial market yields that are paid. Although BFE strives to pay a competitive rate to clients in order to retain their business, BFE has a conflict of interest in establishing that rate because the firm's compensation will be greater if the client's final yield is lower. BFE does not have this type of conflict in connection with money market funds. Furthermore, clients can earn more interest if they choose a money market fund over the Deposit Program as their cash investment option.

Interest rates earned by clients in connection with the Deposit Program at any given time will vary and are derived from then-current market yields paid by the participating banks. The interest rate earned by a given client is also a function of the linked value of all of the assets invested by a client in different accounts at Benjamin F. Edwards. In general, a client with greater linked balances will receive an interest rate at a higher tier than a client with lower linked balances. The aggregate value of a client's linked balance will determine which interest rate tier in which a client is placed. In connection with the Deposit Program, BFE will determine the amount of invested assets that is required for each interest rate tier, as well as the interest rate to be paid at each tier. Because BFE's compensation is earned from the residue, the tiered compensation structure results in BFE receiving less compensation when more of a given client's assets are invested with Benjamin F. Edwards. Consequently, BFE and its advisors have an incentive to recommend products other than the FDIC-insured bank deposit product to clients with higher balances in the Deposit Program, even when the FDIC insured product might be more advantageous.

Because BFE establishes the client's final earned interest rate in the Deposit Program and the threshold values of the program's linked account tiers, it directly influences the amount the client will earn and the revenue BFE retains. It is important for clients to understand this conflict so they can make informed decisions when evaluating the benefits of participating in the Deposit Program versus other cash-sweep alternatives.

Information on the Deposit Program is provided in a document titled "Insured Deposit Program Terms and Conditions" (housed on the Firm's website at benjaminfedwards.com under the "Important Disclosures" section), which is delivered to all clients at or prior to the time they begin participating in the program. Additional copies can be obtained from a BFE financial advisor upon request. Further detail on the Deposit Program is available in BFE's "Revenue Sharing Disclosure", also on the Firm's website under the "Important Disclosures" section.

Compensation from Asset-Based Loans

BFE is compensated by receiving a portion of the interest paid by clients for a non-purpose asset-based loan (i.e., a loan that is secured by assets in the client's account). Clients may obtain a "non-purpose" loan (the proceeds of which may be used for any purpose other than purchasing securities) or a "margin" loan (the proceeds of which can be used to purchase securities). Clients can use the assets in either existing BFE brokerage or advisory accounts as collateral for such loans. BFE partners with third-party intermediary banks to facilitate the asset-based loan program.

Clients who decide to enter into an asset-based loan arrangement should carefully consider the following:

- Clients are borrowing money that will have to be repaid to either Pershing or BFE's intermediary bank, depending on the loan type.
- Pledge arrangements are only available for non-qualified accounts.
- The client, as the borrower, is using cash and securities in the BFE account(s) as collateral.
- The client will be charged an interest rate that is subject to change.
- Depending on the loan type, Pershing, BFE or its intermediary bank can force the sale of securities or other assets in the pledged account at any time and without notice to cover any deficiency in the value of the securities pledged for the loan. Pershing, BFE, the intermediary bank or the portfolio manager, in the case of an advisory account, can decide which securities to sell without consulting the client.
- BFE has a conflict of interest when a client obtains a margin loan from Pershing or a non-purpose loan from an intermediary bank. This conflict exists because BFE receives a portion of the interest charged on the loan and because BFE has the ability to markup, or increase, the interest rates charged to its clients. BFE reduces this conflict by reviewing the borrower's accounts to determine whether the loan is appropriate and in line with the borrower's goals and objectives, and by disclosing this arrangement.
- For non-purpose loans, BFE and the intermediary bank are responsible for reviewing the loan application and any other documents required to obtain the loan. The lending intermediary bank, in its sole discretion, will determine whether to accept or deny an applicant's non-purpose loan request.
- For margin loans, BFE and Pershing review the margin agreement and any other documents that Pershing may require for clients to obtain the margin loan.
- Prior to establishing a loan, clients should carefully review applicable program-specific disclosure documents, and any other forms required in order to process the loan.

Compensation Associated with Ancillary Services

The wrap fee does not include, and the client will be charged separately for, fees for ancillary services such as, without limitation, fees relating to: specific types of product or asset transfers, processing, maintenance or safekeeping; physical delivery of account documents; checking or debit card services; and account termination or transfer. The complete ancillary fee schedule is available on BFE's public website at benjaminfedwards.com in the "Important Disclosures" section entitled "Client Fees" and is incorporated by reference; a hardcopy is available upon request from any BFE financial advisor. Most of these fees are passed directly to Pershing; however, BFE retains a portion of selected fees, which creates a conflict of interest as BFE has an incentive to recommend the additional services.

Payments BFE Receives from Its Clearing Firm

As is the case with all of the firm's service providers, BFE pays its clearing firm, Pershing, for the various services it provides, including but not limited to execution, clearing, custody and other services based on a negotiated fee schedule. Pershing reimburses BFE for some of the infrastructure and operational expenses associated with growing its brokerage and investment advisory asset base. The current arrangement is anticipated to continue at least through December 2022, although the agreement can be periodically revisited in the intervening time based on mutual agreement of the parties. Pershing also typically reimburses BFE for certain documented account transfer fees if BFE credits a client account for fees charged by a client's prior firm at the time the account transferred to BFE. These arrangements create an incentive for BFE to endorse Pershing, and to place clients in brokerage or investment advisory programs or to engage in other activity that, by operation of the negotiated fee schedule, are more profitable to the Firm.

With respect to the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios programs, Lockwood will pay BFE a sponsor fee from the amounts charged to the client for participation in such programs. Financial advisors do not receive payments in connection with such sponsor fee.

With respect to Benjamin F. Edwards Separately Managed Portfolios, the client will pay a wrap fee that covers all charges including but not limited to trading, clearing and custody, reporting, advice and the costs of a third-party asset manager. If the cost of administering the program decreases, this will not automatically reduce the fee paid by the client. We have a conflict of interest to implement third-party asset managers' strategies through BFE and/or Lockwood because it typically costs BFE less than if the third-party asset manager were to implement its strategy directly. Additionally, some third-party asset managers cost less than others for similar strategies, which creates a conflict whereby BFE and an advisor is incentivized to choose a lower-cost manager.

Additional Product and Service Charges

Some mutual funds impose a short-term redemption charge that is paid by the client if the product is sold within varying periods of time relative to the purchase date (e.g., 90 days). BFE receives no portion of individual funds' redemption charges.

The wrap fee does not include separate external fees charged by a product sponsor or trustee, such as would be the case if the assets of a donor advised fund are managed within an advisory account, or if an advisory account is owned by a trust with a corporate trustee or other party who receives separate compensation from account assets. Such additional external fees would typically be charged separately by the donor advised fund or the trustee and paid by BFE from the account assets.

Non-Cash Compensation

Finally, some product vendors, asset managers, or service providers make nominal gifts or provide business entertainment, such as meals, or tickets to theatrical, sporting or other events, to BFE or its financial advisors. Such gifts or entertainment provide an incentive for BFE and its financial advisors to recommend the products of vendors who provide such compensation over the products of other vendors, even if the other vendors' products are less expensive or otherwise better meet advisory clients' needs.

Additional Disclosures About BFE Wrap Fee Programs

BFE's wrap free programs have several other characteristics with which clients should be familiar. Although these characteristics do not typically result in additional compensation received by BFE, in some cases they result in additional expenses for clients, which could negatively impact the performance of their accounts.

Negotiability of Wrap Fees

Wrap fees are negotiable and BFE will consider reducing the wrap fees described above under appropriate circumstances. For example, BFE will consider fees paid by the client to a competitor for a similar investment advisory program; whether the totality of the client relationship, including both advisory, non-advisory or other business warrants a reduced fee, whether there is a realistic likelihood of significant future business, etc. See the "Compensation" section below for information regarding compensation to portfolio managers/financial advisors.

Clients have the option to purchase investment products that BFE recommends through other brokers or agents that are not affiliated with BFE. Participating in wrap fee programs or other advisory programs would cost the client more or less than if the client were to implement his or her selected program separately from BFE, such as by using a different program sponsor, pursuing the strategy through a brokerage account, or investing directly with the mutual fund family. Some factors that might impact the total cost to a client who implements a program separately from BFE include the frequency of trading activity; whether a client might be successful in negotiating a lower fee with a sub-advisor; rate of commissions, markups or other transaction-related compensation; or whether account fees, transaction fees or similar charges would be incurred.

Retirement Account Rollovers

When recommending that a client rollover his or her account from current retirement plan to an IRA, BFE and its financial advisors have a conflict of interest. BFE and its financial advisors can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, BFE and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained BFE to provide advice about the client's retirement plan account). Thus, BFE and its financial advisors have an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. BFE has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted written policies and procedures whereby BFE and its financial advisors will disclose the advantages/disadvantages of the retirement plan/IRA rollover options available to the client and will only recommend rollover if in the best interest of the client.

Suitability of Brokerage Versus Advisory

Because the wrap fee and other incidental fees that a client pays for maintaining an investment advisory account could cost more (or less) than the transaction-based commissions that would be paid for simply engaging in transactions in a brokerage account, a client should keep in mind the totality of what he or she is paying for, and his or her desire for those services.

Asset-based wrap fees are designed to better align a financial advisor's interests with those of his or her client. Thus, if the market value of the advisory account's assets increases, so will the financial advisor's asset-based compensation. Conversely, if the market value of the advisory account's assets decreases, so will the financial advisor's asset-based compensation. In addition, asset-based fees also can reduce or eliminate the financial incentive that a financial advisor might have in a commission-based brokerage account to recommend transactions solely or primarily for the purpose of generating commissions for the financial advisor's own benefit; conversely, advisors may have an incentive not to recommend transactions when they will receive compensation regardless of the level of activity in the account. Instead, the wrap fee is a way for a client who wishes to receive the benefits of ongoing portfolio monitoring and advice to compensate his or her financial advisor who believes that less frequent, or even no, trading is appropriate for an extended period of time.

But there are situations where a client must recognize that a brokerage account might be economically advantageous, as long as the client is willing to forego the ongoing benefits of an advisory relationship. For example, if a client is solely interested in obtaining low-cost transactions, and anticipates engaging in comparatively fewer transactions or employing a buy-and-hold strategy); or anticipates engaging primarily in unsolicited (i.e., self-initiated) transactions; or anticipates holding positions in assets that a client might not wish to sell for an extended period of time (such as positions that are maintained primarily for sentimental value; assets that have limited liquidity; or substantial positions in cash, money market funds or bank deposit products that are not expected to be invested for an extended time) then it could be in the client's financial interest to maintain those assets in a brokerage account instead, and forego the ongoing advice and monitoring that is available in an advisory account. Clients should assess for themselves the value of services obtained in a wrap fee advisory account versus the more limited relationship and services provided with a brokerage account.

For more information on the differences between brokerage and advisory accounts, including a side-by-side comparison, please see the document titled "Comparing Brokerage and Advisory Accounts" found under the "Important Disclosures" section of BFE's website. You may also request a copy from your financial advisor.

Factors to Consider When Funding Advisory Accounts

Portfolio managers generally require that accounts be initially funded with cash or eligible securities (i.e., securities that are permitted by the portfolio manager to be held in the particular account or program). In the event a client deposits securities to initially fund an advisory account that are ineligible, the securities will be promptly sold or, at the client's direction, will be held in a brokerage account so an advisory fee will not be charged for the position. While prompt liquidation of ineligible securities is required in order to immediately begin participating in the advisory program, clients should understand that, in the case of securities that are relatively less liquid (including most fixed income positions and certain equity positions), prompt liquidation will not necessarily generate the greatest possible proceeds contrasted with actively managing the sale over time. Clients who do not wish to make this trade-off should consider funding their advisory account with only eligible securities or cash.

Clients can leave eligible securities that they do not wish to sell, or that are not readily liquid, in an advisory account in order to receive comprehensive portfolio-based advice. Because a fee is charged on the market value of all assets held in an advisory account, including cash, money market funds and bank deposit products, clients should take this into consideration and discuss the client's personal situation with the financial advisor when making such a decision. Clients should keep in mind that holding substantial positions in assets such as cash, money market funds and bank deposit products that are not intended to have substantial price fluctuations, or that offer only limited return potential, might well be part of a financial advisor's portfolio-based investment strategy as a technique to cushion the effect of a downward market or to have assets available while waiting for investment opportunities in times of volatile or uncertain markets or governmental economic behavior.

Transactions Executed Away from Pershing

Implementation and execution of transactions in advisory programs are conducted by BFE as an introducing firm on a fully disclosed basis through its clearing firm, Pershing. However, third-party asset managers associated with our advisory program have the option of executing transactions away from Pershing if they believe it is in the client's best interests to do so. This is frequently referred to as "trading away" or "step out trading." The asset manager – not BFE – decides as to when it trades with Pershing or away from Pershing. An asset manager's ability to trade away is not limited, as the asset manager's fiduciary duty to clients, as well as its expertise in trading its portfolio securities, makes the asset manager responsible for determining the suitability of trading away from Pershing.

The wrap fees disclosed previously in this document do not cover transaction charges or other charges, including commissions, markups and markdowns, resulting from transactions effected through or with a broker dealer other than Pershing, which is the custodian. In addition, some asset managers executing trades in U.S. Treasury securities will incur a system cost from the portal through which the trades are processed. As a result, these trades could be more costly than trades that execute with Pershing and could negatively affect the performance of the account. Further, the additional trading costs will not be reflected on clients' trade confirmations or account statements. Typically, the executing broker will embed the added costs into the transaction price, making it difficult to determine the exact added cost for transactions executed away from Pershing.

BFE does not receive additional fees when asset managers execute transactions away from Pershing.

In light of the additional charges that apply to step out transactions, the asset manager could determine that placing clients' transactions with Pershing is in clients' best interest. Alternatively, the asset manager may execute transactions with a broker-dealer firm other than Pershing if the asset manager believes that doing so is consistent with its obligation to obtain best execution.

Each asset manager's Form ADV Part 2A brochure should provide more information regarding that asset manager's brokerage practices and conflicts of interest, including any additional expenses that apply. In addition, BFE makes regular inquiries with the asset managers it sponsors in its investment advisory programs and summarizes the data it receives. For additional detail, please see the documents found under the "Third-Party Asset Manager Trade Away Disclosure" section of BFE's website (found by clicking "Important Disclosures", then "Investment Advisory Program Disclosures") or request a copy through your financial advisor.

Client Fee Processing in Advisory Wrap Accounts

The annual fee for advisory wrap accounts, with the exception of Investment Management Consulting (with Execution) accounts, is charged quarterly in advance (at the rate of one-fourth of the annual fee detailed above). The fee is calculated based upon the market value of all assets under management in the account, including all balances in cash, money market funds, and bank deposit programs, (excluding any margin debit balances, if applicable) at the close of business on the last business day of the previous quarter as determined by BFE or its partners. The fee will be deducted from the client's advisory account(s) (or a designated Benjamin F. Edwards brokerage account of the client) with the permission from the client. Adjustments to fees are made quarterly (for the prior quarter). The adjustment will be prorated based on the dates the contribution(s) and/or withdrawal(s) occur.

Under certain circumstances, BFE permits advisory program assets to be held with a custodian other than Pershing. This would occur, for example, in connection with positions in alternative investments that must be held with the issuer of the securities. In such situations, BFE will invoice the client separately on a quarterly basis for the appropriate amount of the advisory fee attributable to the position. The amount of the fee will be determined by BFE based on information reasonably believed to reflect the value of the asset where it is held. The client will be asked to sign a Letter of Authorization to permit BFE to deduct the fee from the client's account separately. At the time the fee is deducted from the account, BFE will send a separate notification to the client reflecting the amount of the fee. The client should verify the fee using information the client receives from the party that holds the asset and, if there are questions, present them to his or her financial advisor.

Clients who join the program mid-quarter will be assessed a prorated fee for the quarter in which they joined. New accounts will be billed from the date the account is opened through the end of the current quarter. The initial fee will be charged at the account opening, paying fees in advance thru the end of the quarter. In the event the account is terminated mid-quarter, BFE will refund the prorated portion of the client's prepaid fees upon termination of the client advisory agreement; however, if an advisory wrap account is terminated within the first 12 months, BFE reserves the right to refund the client's prepaid fees to BFE less any reasonable expenses associated with opening, positioning, maintaining, and terminating the account.

Miscellaneous Disclosures

BFE does not sell insurance products as part of its advisory wrap account programs.

In some cases, BFE has a separate brokerage relationship with persons who are also investment advisory clients of BFE. As an investment adviser, BFE owes a heightened standard of fiduciary care when providing investment advice to the client than when acting as a broker-dealer. In a brokerage relationship, the broker-dealer acts either as principal or agent when effecting transactions with clients and typically receives compensation in connection with such transactions. Brokerage and investment advisory accounts are not commingled; transactions in both brokerage and advisory accounts are disclosed or reported to the client.

A conflict of interest arises where BFE would receive both commissions and fees in situations where brokerage and advisory services are provided. It is BFE's policy, subject to certain exceptions, to refund commissions on transactions executed within a brokerage account that would have been more appropriately completed in an advisory account where no commission would be charged. In the case of securities sold by prospectus, BFE will reduce the amount of the advisory fee to account for the sales charge previously paid.

BFE employees, including access persons, are permitted to participate in any of the advisory programs offered by BFE and thus will own the same securities owned by advisory clients. In addition, BFE employees, including financial advisors who are advising clients in the Benjamin F. Edwards Client Portfolios Program and the Benjamin F. Edwards Private Portfolios Program, are permitted to engage in transactions alongside clients, including purchasing securities that they are advising clients to sell, and selling securities that they are advising clients to purchase. In most cases, such "contrary" transactions are limited to special circumstances, such as to pay for educational, medical or unanticipated significant expenses; however, the Firm permits such transactions in certain other situations.

Compensation

The following details the portion of the fee that is paid to the portfolio manager of each program:
Benjamin F. Edwards Mutual Fund Portfolios Management fees are based on the value of assets under management and are built into the advisory fee. Portfolio managers are not paid a portion of the advisory fee, but instead are salaried employees of BFE. The management fee is retained by the Firm to offset the costs of investment management and research.
Benjamin F. Edwards Mutual Fund Model Strategies Russell Investments or American Funds does not receive a portion of the advisory fees, but instead is compensated via the internal expenses of the funds held.
Benjamin F. Edwards Active Passive Portfolios Management fees are based on the value of assets under management, which are built into the advisory fee. Portfolio managers are not paid a portion of the advisory fee, but instead are salaried employees of BFE. The management fee is retained by the Firm to offset the costs of investment management and research.
Benjamin F. Edwards Exchange Traded Fund Portfolios The following firms are each paid a portion of the value of the assets it is responsible for managing, which is built into the advisory fee. Confluence Investment Management, Laffer Tengler Investments, and Morningstar is paid in the range of 0.20% -0.30%. First Trust does not receive a portion of the advisory fees but is instead compensated via the internal expenses of the exchange traded funds held. For the BFE ETF Portfolios, the portfolio managers are not paid a portion of the advisory fee, but instead are salaried employees of BFE. BFE's management fee is retained by the Firm to offset the costs of investment management and research.
Benjamin F. Edwards Equity Portfolios Management fees are based on the value of assets under management and are built into the advisory fee. Portfolio managers are not paid a portion of the advisory fee, but instead are salaried employees of BFE. The management fee is retained by the Firm to offset the costs of investment management and research.
Benjamin F. Edwards Custom Mutual Fund Portfolios The financial advisor is paid as described in the following paragraph.
Benjamin F. Edwards Client Portfolios The financial advisor is paid as described in the following paragraph.
Benjamin F. Edwards Private Portfolios The financial advisor is paid as described in the following paragraph.
Benjamin F. Edwards Separately Managed Portfolios Manager fees vary but range from 0.12% to 1.25% of assets managed, which is built into the advisory fee. In instances where Lockwood is trading on behalf of the manager, they are paid a fee based on the value of the assets under management, which is built into the advisory fee.
Benjamin F. Edwards Unified Managed Account Manager fees vary but range from 0.00% - 0.50% of assets under management and are paid in addition to the advisory fee. In instances where Lockwood is serving as overlay

manager, they are paid a fee based on the value of assets under management, which is built into the sponsor fee and advisory fee.
Lockwood Asset Allocation Portfolios Lockwood's manager fees vary but range from 0.20% - 0.40% of the value of assets under management, which is built into the advisory fee.
Lockwood Investment Strategies Lockwood's manager fees vary but range from 0.30% - 0.75% of the value of assets under management, which is built into the advisory fee.

Financial advisors of BFE will receive a maximum of 50% of the wrap fees paid by advisory clients to compensate them for services which may include solicitation, shareholder support, advice, order placement and execution, and other services. In addition to the wrap fee, financial advisors are eligible for other compensation awards including bonuses, recognition trips, and other benefits. Some of these programs are financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some financial advisors and portfolio managers to favor those funds. The compensation received for a particular advisory portfolio program may be more than what the financial advisor would receive if the client participated in other BFE advisory portfolio programs or paid separately for investment advice, brokerage, and other services, and hence, may influence the recommendation of a particular advisory portfolio program over other programs or services.

ADV Part 2A Appendix 1 Wrap Fee Program Brochure

Item 5 - Account Requirements and Types of Clients

Account Requirements

The minimum account size for each wrap fee program is as follows:

Benjamin F. Edwards Mutual Fund Portfolios $50,000
Benjamin F. Edwards Mutual Fund Model Strategies $50,000 for Russell and $10,000 for American Funds
Benjamin F. Edwards Active Passive Portfolios $50,000
Benjamin F. Edwards Exchange Traded Fund Portfolios $50,000 for Confluence, First Trust, Laffer and Morningstar models. $5,000 for BFE models.
Benjamin F. Edwards Equity Portfolios $50,000
Benjamin F. Edwards Custom Mutual Fund Portfolios $50,000
Benjamin F. Edwards Client Portfolios $50,000
Benjamin F. Edwards Private Portfolios $50,000
Benjamin F. Edwards Separately Managed Portfolios Varies by manager but most commonly is $100,000
Benjamin F. Edwards Unified Managed Account $200,000

Please note that with respect to "minimum account size" BFE may, under appropriate circumstances, consider permitting accounts having asset values lower than the indicated minimum account size to participate in the programs. Such circumstances might include, but are not limited to, whether the account is a transfer account, the totality of the relationship with other client accounts, effects of market activity, and anticipated future business.

Types of Clients

BFE provides advice to a wide variety of clients including but not limited to:

- Individuals

- Pension and profit-sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities
- Public entities and other governmental organizations
- Educational institutions
- Investment clubs
- Foundations and other charitable or fraternal organizations

ADV Part 2A Appendix 1 Wrap Fee Program Brochure

Item 6 - Portfolio Manager Selection and Evaluation

BFE's primary advisory service involves investment programs that bundle or "wrap" services (investment advice, reporting trade execution, custody, etc.) together and charges a fee based on the value of assets under management. All of these programs are outlined in the prior "Services, Fees and Compensation" section.

BFE has established an Investment Strategy Committee comprised of individuals responsible for the advisory programs managed by BFE. These individuals act as the lead portfolio managers for Mutual Fund Portfolios, Active Passive Portfolios, Equity Portfolios, and BFE's ETF Portfolios. Members of this committee also act as lead portfolio managers for the ETF Portfolios and Benjamin F. Edwards Mutual Fund Model Strategies programs implementing models provided by third-party asset managers. BFE selected the individuals for this position based on their educational and work experience in the investment field. Members of BFE's Investment Strategy Committee are responsible for determining which advisory programs are appropriate for BFE to offer and recommend to its clients.

With respect to the Benjamin F. Edwards Mutual Fund Model Strategies, ETF Portfolios, Lockwood Asset Allocation Portfolios and Lockwood Investment Strategies programs, members of the Investment Strategy Committee initially reviewed, and continue to monitor on a quarterly basis, the investment strategies of the third-party asset managers with whom BFE has partners to validate that these remain quality programs for BFE to recommend to clients.

With regard to the Mutual Fund Portfolios, Active Passive Portfolios, BFE ETF Portfolios, and Equity Portfolios programs, the Investment Strategy Committee is responsible for the selection of securities to use and the allocations of the securities within each of the models in these programs.

For the Separately Managed Portfolio programs, members of the Investment Strategy Committee oversee the review of the managers to determine which asset managers and which of their strategies will be offered on the BFE platform. Additionally, BFE will rely on the aforementioned external parties it engages that specialize in the due diligence reviews of third-party asset managers when making recommendations to clients to use, terminate or replace an asset manager. BFE will utilize this due diligence along with evaluating the economic efficiencies, level of interest in the asset manager/strategy, and how the strategy fits into the strategic offering of the program when approving manager strategies for the program. The manager selection process for Separately Managed Portfolios is further detailed below.

BFE also offers a program where the financial advisor acts as portfolio manager. BFE generally requires that the financial advisors meet the following standards to initially participate in these programs:

- Hold the appropriate licenses and registrations to do advisory business (unless state exemption is available)
- Have the appropriate portfolio management training and experience in accordance with the model/strategy being implemented
- Not more than three sales practice-related complaints in the past five years and no forgery, misappropriation, unauthorized trading, or similar settled or otherwise finalized actions in the last 10 years.

BFE may make exceptions to the policy above or may decide to allow a financial advisor to continue to act as a portfolio manager if he or she no longer meets the initial eligibility criteria, if the Firm believes there are extenuating circumstances or considerations.

Employees of BFE are not subject to the same selection and review process as described herein for non-affiliated portfolio managers. Once an employee is approved as a portfolio manager, BFE will normally allow them to continue participating in that capacity. For all the advisory programs, BFE clients select the financial advisor they want to work with to determine which program and model/strategy within the program best meets their needs.

In evaluating the programs, BFE relies on performance data from the investment firms, from third-party party sources (such as Morningstar), as well as the performance of BFE accounts currently invested in these programs.

Performance reporting for all advisory accounts is conducted by Albridge Solutions, Inc., an affiliate of Pershing, on behalf of BFE. Performance is reported in accordance with Modified Dietz standards. A sample of the performance data is reviewed for accuracy by Pershing, or their affiliate, prior to being made available to clients. The evaluation entails reviewing all accounts with returns greater than 2% standard deviation for the periods Month to Date, Quarter to Date and Year to Date. As part of the evaluation, securities are reviewed for missing or stale prices, the market values between the portfolio accounting system and the custodian are compared and the benchmarks are reviewed for accuracy.

Selection of Managers for Separately Managed Portfolios

In order to provide our clients with a broad range of investment strategies that meet their investment needs, BFE has assembled a diverse list of third-party asset managers and strategies to choose from. As part of our ongoing due diligence, we routinely evaluate the existing asset managers and strategies we offer, including new options for inclusion.

Our available list is classified by capitalization (e.g., small, mid, large-cap) and investment style (e.g., fixed income, balanced, growth, value, core). Within each classification, an asset manager’s performance relative to their peers is screened as the primary factor for inclusion in the program. We look for managers with results in the top two-thirds relative to their peers over the past 3-year, 5-year and 10-year periods, indicating the strength of the manager and their investment philosophy for that strategy. Asset managers who meet and continue to meet our criteria will generally be permitted to be included in our manager program.

In some cases, a manager’s performance might rank in the lower third relative to peers, but nevertheless they will be allowed into, or to remain in, the program. This may occur if we make a qualitative determination that the manager, strategy and processes are sound notwithstanding the fact that their performance lagged their peers. Asset managers may be given a status of “Under Review” or “Watch List” to note this situation.

Asset managers may also be placed in "Under Review" status if other situations occur that give us reason to reassess whether they still meet our qualitative and objective standards. These might include, for example, the departure or loss of key personnel; substantial decrease in assets under management; change in ownership; significant departure from a manager's stated investment style or strategy; or other situations.

Upon review, if a situation warrants continued monitoring, a manager may be placed on a program "Watch List" where the manager's performance, strategy and process will be observed for a period of time and then a determination will be made to return the manager to good standing in the Program or to remove the manager from the program.

The client's financial advisor will be advised of any change in the manager's status. The financial advisor will determine whether the client should also be notified.

The third-party asset managers in the program are regularly reviewed by a member of the firm's Investment Strategy Committee to ensure continued adherence to our standards. A review will be conducted as needed based on potentially significant developments that may affect the operations or management of the asset manager or strategy (e.g., change of portfolio manager, corporate reorganizations, etc.).

Adjustments will be made to the managers' status in the program as needed and individual accounts will be addressed accordingly based on the outcomes of the reviews.

Conflict of Interest

Conflict of interests can arise with respect to a variety of business and other relationships in almost any investment advisory program. Please refer to the "Other Financial Industry Activities and Affiliations" section under the "Additional Information" heading below for discussion of conflicts of interest relating to relationships and product-specific compensation that is received by BFE.

Tailoring of Advisory Programs and Reasonable Restrictions

For all wrap advisory programs, the BFE clients select the financial advisor with whom they wish to work. The financial advisor will assess the client's prior investment experience, financial goals, time horizon, risk tolerance, and investment objectives in order to determine the appropriate program for the client.

Clients may request reasonable restrictions on the management of their discretionary accounts. Such restrictions may include imposition of limitations or preferences concerning transactions in certain securities, frequency of rebalancing, tax-loss selling, frequency of distributions and similar matters.

With respect to security-specific restrictions in the Benjamin F. Edwards Private Portfolios program, such restrictions are individually negotiated between the client and financial advisor. With respect to all other programs involving transactions in individual equity securities, clients may request security-specific restrictions on those equities or restrictions based on the following categories: Alcohol, Cosmetic, Defense/Military/ Weapons, Entertainment, Foreign Securities, Gambling, Finance, Trucking, Meat Products, Nuclear Power, Oil Stocks, Textiles, Drugs, Tobacco, Public Utilities, Paper/Forest Products, and Healthcare/Medical Industries.

With respect to model based mutual fund and ETF wrap programs, BFE will consider requests for reasonable restrictions on the management of the account. Such restrictions may be placed on particular mutual funds or ETFs from the model selected but cannot restrict the individual securities held within the mutual funds or ETFs. If such investment restrictions are implemented, the client will experience a different investment return than what will be realized by the model itself. Such performance may be better or worse than the model. For these reasons, if a client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the client to participate in other BFE advisory programs that are not so uniquely positioned. It should be noted; any standardized reports of model performance will not reflect the performance of the model with restrictions applied. (Quarterly performance reports of the client's account will accurately reflect the client's actual account performance with restrictions).

BFE does not currently provide portfolio management services other than in connection with its wrap fee programs and the programs offered through its affiliated adviser, Benjamin F. Edwards Wealth Management. BFE retains a portion of advisory fees paid, including wrap fees, as compensation for its services; the remainder is used to compensate third parties, such as Pershing, Lockwood Advisors, and third-party asset managers or model providers for services they provide.

Performance-Based Fees and Side-By-Side Management

Not applicable; none of BFE's supervised persons accept performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

A variety of methods of analysis and investment strategies are utilized by affiliated and non-affiliated portfolio managers in the BFE sponsored advisory programs. BFE's advisory programs employ several methods of analysis, including but not limited to charting, fundamental analysis of a company's financials and technical analysis of market activity. Within each method of analysis, portfolio managers may employ a variety of time-horizon outlooks, including long-term strategic, intermediate cyclical or short-term tactical.

Regardless of the method of analysis and investment strategy, the investment advisory programs involve investing in securities which contain a risk of loss of principal that the client should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful.

In addition to the risks associated with investing in securities, no method of analysis will always yield positive results. For example, while fundamental analysis might indicate that a particular company is "fairly valued," market sentiment may nevertheless result in unexpected investment performance. Similarly, while technical analysis or charting might suggest that a particular company presents a good buying opportunity, its financial performance might cause investors to view the security differently. Depending on the portfolio manager, adherents to each method of analysis may look only to the information relevant to his or her method of analysis, to the exclusion of other information.

Investment strategies that employ diversified models may involve investing in multiple market sectors or asset classes. This diversified approach to investing has the potential to take advantage of the fact that different sectors or asset classes often perform in different ways at different times. This characteristic may yield either positive or negative results, depending on particular market conditions, or the overall breadth of the market's impact on multiple asset classes or sectors.

In addition, some particular investment styles focus on particular market sectors or classes of securities and carry additional risks. Even models that are more broadly diversified in their exposure to particular market sectors or asset classes are exposed to the underlying risks associated with those sectors or classes. For example, investors should be aware of the following:

- Equity strategies, including investing in individual companies, equity mutual funds or ETFs, involve investments in common stocks and are subject to the volatility and individual risks associated with those stocks;
- Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk;
- Small Cap and Emerging Market securities tend to be more volatile relative to the overall market;
- Bonds may “guarantee” return of principal if held to maturity, but any guarantee remains subject to the creditworthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risks;
- Bond funds of all types are subject to the various risks of the underlying fixed income instruments in the fund, and there is no fixed maturity date;
- High Yield bonds expose the investor to investments in lower credit quality securities and hence risk of default and higher volatility;
- Tax-Exempt bonds may or may not provide returns higher than the after-tax returns of taxable bonds, so investors should consider their tax bracket and state of residence;
- International/Global/Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved.
- Options strategies introduce additional elements of complexity regarding timing of market decisions and liquidity of positions. Investors considering programs that involve the use of options should carefully review and understand the Options Disclosure Document (“Characteristics and Risks of Standardized Options”) prepared by the Chicago Board Options Exchange (CBOE), which will be provided by BFE.
- The alternative investment asset class broadly includes vehicles such as derivatives, hedge funds, currencies, managed futures, commodities, private equity, multi-strategy funds, and strategies that seek to take advantage of interest rate movements, currency carry, merger arbitrage, convertible arbitrage, short sales, use of leverage, and other techniques. Alternative investment vehicles and strategies may be used by certain investment company portfolio managers (including open- and closed-end funds, ETFs, and UITs). Those vehicles and strategies vary widely and can directly or indirectly subject investors to a variety of risks including, but not limited to, market risk, interest rate risk, credit and counterparty risk, liquidity risk, and foreign-currency exchange-rate risk among others, depending on the investment.
- Exchange Traded Funds and Notes (ETF/Ns) are typically designed to track the performance (and sometimes the inverse) of a benchmark index or commodity, sometimes with leverage. ETF/Ns are subject to tracking error risk (meaning performance that varies in amount and possibly direction from the target benchmark index or commodity) and liquidity risk, in addition to the risks associated with the benchmarked products.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors listed above. Clients should feel free to ask their financial advisor to discuss any of these in more detail. In addition, clients should refer to the investment advisory disclosure brochure prepared by specific third-party asset managers under consideration for a detailed explanation of the nature and risks of the program being evaluated, including the use of any of the asset classes and market sectors above.

Some models are based on use of mutual funds and/or Exchange Traded Funds. These financial instruments are securities that are sold by prospectus. While particular funds in the advisory programs may be selected by the portfolio manager, investors should read the prospectus, and summary prospectus if available, carefully to fully understand the various risks, investment objectives, charges/expenses and other information about the fund company associated with the investment.

Participants in BFE's wrap-fee advisory programs do not pay additional charges based on the frequency of trading in their account. However, it should be understood that higher-frequency trading strategies may increase the likelihood that tax consequences may be short-term in nature, and result in a higher tax cost, and hence, lower net performance.

Voting Client Securities

For most advisory programs, BFE will not normally vote on matters requiring shareholder voting in connection with the securities held in a client's account, or with respect to certain legal actions involving securities including, for example, voting of proxies, mergers, bankruptcies or restructuring, class actions, or similar matters. See specific advisory program descriptions above, as some outside managers will vote proxies on behalf of clients. Clients will receive proxy notices from the Firm's custodian, Pershing. In the limited circumstances where a client may hold securities directly with an issuer or an alternative custodian, proxy notices will be sent by the issuer or the alternative custodian.

Notwithstanding the foregoing, upon request of the client, BFE may be able to provide limited advice regarding proxy voting, mergers, bankruptcies or restructuring, class actions, or similar matters, except under the following circumstances:

- No advice will be given if it is on behalf of any person soliciting proxies or on behalf of a participant in a matter relating to the election or removal of directors;
- No advice will be given if the Firm holds, including in nominee name, 5% or more of the securities that are the subject of a proxy vote;
- No advice will be given with respect to matters involving foreign private issuers, including American Depository Receipts (ADRs);
- No advice will be given if BFE does not have the resources upon which to form a reasonable basis for the advice to be given;
- No advice will be given if prohibited by law or regulation; and
- No advice will be given if BFE believes that a conflict of interest may exist that might materially affect the judgment required to properly render such advice, or if BFE believes in its judgment that other factors are present which do not make the rendering of such advice to be prudent.

With respect to Benjamin F. Edwards Separately Managed Portfolios, Benjamin F. Edwards Unified Managed Account, Lockwood Asset Allocation Portfolios, and Lockwood Investment Strategies, clients may contact their financial advisor to request information regarding how managers in those programs voted their proxies.

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Item 7 - Client Information Provided to Portfolio Managers

Information Provided to Affiliated Portfolio Managers

BFE employees who serve as portfolio managers have access to all client information obtained by BFE with respect to the particular client accounts they manage.

Information Provided to Non-affiliated Portfolio Managers

Non-affiliated portfolio managers have access to potentially all client information with respect to clients whose accounts they manage through a "distributor workstation" that is used to monitor and manage client activity. Such information includes client identifying information such as name, address and tax ID; investment profile information such as investment objective and risk tolerance; and administrative information such as disbursement requests, statements, confirmations and other documents prepared by the custodian, Pershing. In addition, individual managers sometimes request additional information such as copies of client account agreements, other account related agreements, such as IRA adoption forms and beneficiary designations, and IRS form W-9. To the extent BFE believes such requests are reasonably related and necessary to the services being provided by the third-party managers, BFE generally honors those requests.

Updating of Information

Information that is provided to affiliated portfolio managers, as well as information provided to non-affiliated portfolio managers, via the "distributor workstation" is kept updated in approximately "real time." Information provided pursuant to specific requests by portfolio managers typically relates to documentation obtained at the time the account is opened, which is not normally updated.

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Item 8 - Client Contact with Portfolio Managers

The primary point of contact for clients with respect to all BFE-sponsored advisory programs is the client's financial advisor, including programs where the financial advisor acts as portfolio manager, as well as for programs using a different affiliated or non-affiliated portfolio manager. There are no restrictions on a client's access to his or her financial advisor. Non-affiliated portfolio managers typically service clients of multiple firms, and direct client access to those portfolio managers is, therefore, not routine. In most cases, BFE clients rely on the Firm to monitor the performance and appropriateness of non-affiliated portfolio managers and to manage the relationship. Nevertheless, BFE is not aware of any prohibition against the client communicating directly with non-affiliated portfolio managers in appropriate situations, and BFE believes it is able to arrange such communications as needed.

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Item 9 - Additional Information

Disciplinary Information

On November 13, 2020, an Order Instituting Administrative and Cease-and-Desist Proceedings (the "Order") was entered by the U.S. Securities and Exchange Commission ("SEC") against BFE. The Order focuses on the sale of two volatility-linked complex exchange traded products ("Complex ETPs") whose returns are designed to track CBOE Volatility Index futures. The SEC concluded that between January 1, 2016 and March 31, 2020 (the "Period") BFE failed to reasonably supervise certain of its financial advisors who made unsuitable recommendations to clients to buy and hold the Complex ETPs for extended periods even though the Complex ETPs were designed for short-term holding periods. Furthermore, the BFE financial advisors failed to make a reasonable determination that the

Complex ETPs were suitable for their clients based on the clients' investment objectives, risk tolerance and financial condition. During the Period, BFE failed to reasonably implement supervisory policies and procedures to detect and prevent the financial advisors from making unsuitable recommendations to its clients.

Without admitting or denying the findings in the Order, BFE consented to the following:

- The Firm shall cease and desist from committing or causing any violations and future violations of Sections 206(4) and 206(4)-7 of the Investment Advisers Act of 1940
- The Firm is censured for failing to properly supervise
- The Firm shall pay disgorgement, prejudgment interest, and a civil monetary penalty totaling $685,134.36, broken down as follows:
    - Disgorgement of $31,417.62 shall be paid, which represents commissions and advisory fees earned on the investments in the Complex ETPs
    - prejudgment interest of $3,716.74 shall be paid
    - A civil monetary penalty of $650,000 shall be paid

BFE has made remedial efforts to address the issues described in the Order. In December 2018, BFE adopted and implemented the first of a series of additional policies and procedures for complex securities, including those listed in the Order. The enhancement of the policies and procedures are designed to provide greater assurance that the Firm and its financial advisors analyze and understand complex products. BFE's remedial efforts also include prohibiting the sale of all volatility-linked Complex ETPs.

On February 12, 2018, the U.S. Securities and Exchange Commission ("SEC") announced a self-reporting initiative in which investment advisers could work with the SEC to resolve issues surrounding the selection of certain mutual fund share classes in advisory accounts. Known as the Share Class Selection Disclosure Initiative (SCSDI), it allowed firms to report to the SEC on a voluntary basis information pertaining to the costs associated with certain mutual fund share classes that were purchased, recommended and held for clients. More specifically, this focused on share classes used in advisory accounts that levied 12b-1 fees to clients when lower-cost share classes without such fees were readily available. In June of 2018, BFE began its participation in the SCSDI and cooperated with the SEC throughout the process.

As a result of BFE's participation in the SCSDI, on March 11, 2019, BFE consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings ("Order") by the SEC. The Order is concentrated on BFE's use of mutual fund share classes in accounts held within the Firm's advisory programs during the period January 1, 2014 to July 10, 2018 (the "Period"). The SEC concluded that during the Period, BFE purchased, recommended or held for advisory clients share classes of mutual funds which levied 12b-1 fees instead of lower-cost share classes of the same mutual funds for which clients were eligible. The Order further highlighted the Firm's inadequate disclosure material that would have been designed to inform investors of the fees associated with certain mutual fund share classes.

Without admitting or denying the findings in the Order, BFE consented to the following:

- The Firm shall cease and desist from committing or causing any violations and future violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940
- The Firm is censured
- The Firm shall pay disgorgement of $3,151,205.81 and prejudgment interest of $294,058.93 to advisory clients impacted by the details in the order

To resolve the issues contained Order, BFE has implemented new policies and procedures related to the selection of mutual fund share classes. BFE's investment adviser representatives are prohibited from selecting mutual funds which levy 12b-1 fees to clients whenever possible. In situations where a client is charged 12b-1 fees, BFE will ensure those fees are promptly rebated to clients.

Other Financial Industry Activities and Affiliations

Benjamin F. Edwards & Company ("BFE" or the "Firm") is a registered investment adviser and a broker-dealer. BFE became registered as a broker-dealer in March of 2009 and, until May 2010, conducted its investment advisory business through an affiliate, BFE Asset Management, LLC. In May 2010, all investment advisory operations and programs of BFE Asset Management transitioned to BFE, which at that time had become registered as an investment adviser subject to the jurisdiction of the Securities and Exchange Commission.

In addition to being a registered investment adviser, BFE is engaged in a variety of investment-related business activities. BFE is registered as a broker-dealer and its management persons are registered representatives of the broker-dealer. In addition, BFE is also a member of the National Futures Association as a Guaranteed Introducing Broker (GIB) and some of its management personnel are associated persons of the GIB. BFE is also licensed as an insurance agency and sells a wide variety of insurance products.

BFE also operates an equity and fixed income trading desk. Transactions facilitated by the trading desk that involve investment advisory clients will generally only be done on an agency basis. In limited circumstances, BFE is permitted to engage in transactions involving an investment advisory account on a principal basis; however, any such transaction would require the client's prior express consent. Transactions facilitated by the trading desk that involve brokerage clients may be done on an agency, principal or "riskless principal" basis. BFE also provides "mergers and acquisition" (M&A) advice to businesses. Such advice is not typically provided as part of the Firm's investment advisory services and would typically involve separately negotiated compensation.

BFE's principal owner is its holding company, Benjamin Edwards, Inc., which owns 100% of BFE. In August of 2018 BFE started a separate related registered investment advisor firm, Benjamin F. Edwards Wealth Management, which is also registered as investment advisor subject to the jurisdiction of the Securities and Exchange Commission.

Benjamin Edwards, Inc. (BEI) Shareholders

The following individuals/entities have made a private investment in the equity securities of BEI, the holding company of BFE:

- The CEO/CIO of Confluence Investment Management LLC, who offers various investment company products that can be purchased through BFE and is one of the third-party asset managers available for clients to select in the Separately Managed Portfolios program as well as a model provider for the Exchange Traded Fund Portfolios program.
  - As part of his professional responsibilities with Confluence Investment Management LLC, he is involved in making investment decisions concerning portfolios of individual clients.
- A trust, of which a portfolio manager for Confluence Investment Management LLC is a beneficial owner.
  - As part of his professional responsibilities with Confluence Investment Management LLC, he is involved in making investment decisions concerning portfolios of individual clients.

- A Sales Representative from Dearborn Partners, a third-party asset manager available on BFE's Separately Managed Portfolios program and offers a mutual fund that can be purchased through BFE and in Advisor Directed advisory programs.
- The Senior Regional Marketing Director of Putnam Investments, a mutual fund family utilized in the Mutual Fund Portfolios program and an investment that is available in other BFE advisory programs.
- Alpine Partners Management, LLC, the General Partner of a pooled investment fund controlled by (CEO/CIO) of ACR Alpine Capital Research, LLC ("ACR"), a third-party asset manager that is available for clients to select in the Separately Managed Portfolios program. The fund that invested in BEI is not currently offered to BFE's clients. Additionally, ACR offers open-end mutual funds which may be utilized through BFE and in some of our advisory programs.

These individuals are not employees of, and will have no managerial or decision-making role with, BFE or its affiliates. As part of their professional responsibilities, however, it is anticipated that they will meet with employees of BFE to promote the services and benefits available by placing investment assets under the management of their firms. These individuals may receive compensation from the firm that is based, at least in part, on money management fees paid to the firm arising from investments through firms such as BFE. Because of these individuals' ownership interest in and their professional duties involving sales services to BFE, a conflict of interest could potentially arise particularly if both firms were to negotiate asset management fees payable to the firm that are more favorable than what might otherwise be paid by firms similarly situated with BFE, or if BFE were to determine to include or retain the firm on the BFE's programs under circumstances wherein other money management firms would not be permitted to be included or to remain.

These individuals will have no role in negotiating asset management fees payable by BFE to their firm. Further, BFE and its representatives will not receive any additional or different sales compensation in connection with recommendations to clients concerning the firms versus any other asset manager under comparable circumstances. In addition, the firms and these individuals will not receive any additional or different compensation in connection with client investments placed the firm through BFE versus those of any other investment firm similarly situated.

Additionally, the Chief Executive Officer and Chief Investment Officer for Confluence Investment Management LLC is a member of the board of directors and has made a private investment in the equity securities of BEI.

As a member of the board of directors, he will be involved in the development of strategy, policy and other important matters affecting Benjamin Edwards, Inc., including its affiliates. He is also compensated for his service as a board member of BEI on the same terms as the other board members.

The Senior Manager of Advisory & Investments Solutions receives compensation as Investment Adviser Representatives for some clients.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

BFE has adopted an ethics policy that applies to all supervised persons of BFE with the exception of items specifically identified as being applicable only to access persons. All employees, officers and directors of BFE (or any person performing similar functions) are subject to BFE's supervision and control and are considered Supervised Persons. This includes registered and non-registered persons but does not include independent contractors. Certain categories of associated persons are considered under the policy to be "access persons" within the meaning of Rule 204A-1 of the Investment Adviser's Act of 1940.

The policy requires all supervised persons of BFE to conduct themselves according to the highest ethical standards, in accordance with the Firm's culture and in accordance with the standard of care that we owe to our clients. The policy further requires all supervised persons of the Firm to adhere to applicable securities laws, regulations and rules. The policy further requires all supervised persons to be vigilant with respect to any actual or potential conflict of interest that could affect one's judgment or decision-making.

All supervised persons are required to maintain their securities accounts at BFE, unless an exception is specifically approved in writing. In addition, no access person is permitted to invest in any private placement or initial public offering (IPO) unless an exception is specifically approved in writing in advance. Access persons also are required to periodically disclose all securities accounts and holdings other than with respect to accounts held at BFE. Access persons are further required to periodically disclose all securities transactions other than with respect to accounts held at BFE. Access persons are further required to provide a consolidated annual holdings report of all securities accounts, including those held at BFE. Supervised persons are permitted to participate in the same advisory programs that are offered to public clients on the same terms.

It should be noted that access persons servicing clients who are participating in the Benjamin F. Edwards Client Portfolios program or the Benjamin F. Edwards Private Portfolios program may engage in equity or fixed income transactions contrary to those of their clients on the same trading day (e.g., may sell a stock that is being purchased for clients). In such situations, a conflict of interest could arise if a financial advisor engages in transactions on behalf of clients that would benefit the financial advisor, such as when he or she might purchase a large quantity of securities for clients, potentially causing the price of those securities to increase, and then sells his or her own securities. BFE addresses this situation by limiting such transactions to situations involving unanticipated extraordinary expenses, transactions necessary to fund large purchases (such as a car or home), or purchase transactions contrary to unsolicited client sell orders. In appropriate circumstances, the Firm may approve other contrary transactions upon individual review.

In addition, a financial advisor servicing clients who are participating in the Benjamin F. Edwards Client Portfolios program or the Benjamin F. Edwards Private Portfolios program may engage in equity or fixed income transactions that they simultaneously or subsequently recommend to clients (i.e., may purchase or sell a stock at the same time a client is purchasing or selling). In such situations, the larger quantity of securities being purchased or sold could impact on the price clients receive. Depending on market conditions, this could have either a positive or negative impact. BFE addresses this situation by generally requiring a financial advisor to not receive a better price than any solicited client trades on the same trading day. In appropriate circumstances, BFE may approve exceptions upon individual review.

Review and Oversight of Securities Holdings and Transactions Accounts holdings and transactions are required to be supervised by the access persons' immediate supervisory principal. Oversight of such reviews is to be conducted by Compliance.

Requirement to Report Violations of Ethics Policy All supervised persons are required to report violations of the ethics policy to their immediate supervisor or the Compliance Department. If a report is made to an immediate supervisor or Compliance Department personnel other than the Chief Compliance Officer, the person receiving the report must ensure the violation is brought to the attention of the Chief Compliance Officer.

Provision of Policy to Access Persons; Requirement to Certify Receipt of Ethics Policy The ethics policy, as well as any amendments or updates, must be provided to all supervised persons, who must attest having received it. Periodic re-certification may be required by the Compliance Department with respect to receiving any amendments of the policy.

A copy of BFE's Code of Ethics will be provided to the client or prospective client upon request.

Review of Accounts

At account opening, client documents are reviewed for consistency, suitability criteria and model selection. Supported by the Home Office, approval of account openings is performed by the Branch Office Manager or an appropriately designated sales principal.

At least annually, a Home Office designated supervision principal will ensure that the financial advisor conducts a review of the client's overall progress with respect to the account. During these reviews, the client's general financial circumstances and desire for any reasonable investment restrictions will be assessed, and recommendations as to adjustments to the client's investment strategy will be made as necessary.

The frequency and depth of additional reviews depend upon the program; details for each program are as follows:

Benjamin F. Edwards Mutual Fund Portfolios Rebalancing will be handled by BFE or our partners. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur. Trades will be done if the trade amount of the security is not less than five basis points times the size of the account.

Quarterly, the performance of the mutual funds used in the models will be reviewed by BFE's Investment Strategy Committee to ensure continued adherence to BFE's qualitative standards. In addition, a review will be conducted as needed by BFE based on potentially significant developments that may affect the operations or management of the fund (e.g., change of fund manager, corporate reorganizations, etc.). Adjustments will be made as needed to individual accounts based on the outcomes of the reviews.

Benjamin F. Edwards Mutual Fund Model Strategies Rebalancing will be handled by BFE or our partners. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur. Trades will be done if the trade amount of the security is not less than five basis points times the size of the account.

The models are implemented per the recommendations of the third-party asset managers serving as model providers. Quarterly, the performance of the Model Strategies will be reviewed by BFE's Investment Strategy Committee to ensure continued adherence to BFE's qualitative standards.

The model providers will monitor the allocations and funds used in the models. BFE will be notified of any changes to the model strategies. Adjustments will be made as needed to individual accounts based on the changes to the models.

Benjamin F. Edwards Active Passive Portfolios Rebalancing will be handled by BFE or our partners. The account will be rebalanced to more closely align with the model's target asset and fund allocation percentages on a periodic basis selected by the client in the advisory agreement. The default will be semi-annually, but annually is also an option. In addition, the account will be rebalanced when deposits and withdrawals occur. Trades will be done if the trade amount of the security is not less than five basis points times the size of the account.

Quarterly, the performance of the mutual funds and ETFs used in the models will be reviewed by BFE's Investment Strategy Committee to ensure continued adherence to BFE's qualitative standards. In addition, a review will be conducted as needed by BFE based on potentially significant developments that may affect the operations or management of the fund (e.g., change of fund manager, corporate reorganizations, etc.). Adjustments will be made as needed to individual accounts based on the outcomes of the reviews.

Benjamin F. Edwards Equity Portfolios The BFE Equity Portfolios are managed internally by BFE employees. Trading will be handled by BFE or our partners. The accounts will be monitored for individual equity position sizes and sector exposures with trades occurring when positions in the portfolio are out of acceptable ranges per the stated strategy.

The portfolio is primarily managed by the lead portfolio manager with oversight by BFE's Investment Strategy Committee. The Investment Strategy Committee ensures that the portfolio is being managed within the bounds of the stated investment process and to make recommendations for refinements to the process as needed. The Committee will meet a minimum of four times a year, with additional meetings as needed. At these quarterly and ad hoc meetings, the equity positions will be reviewed for continued inclusion in the model or if any swaps need to occur. Portfolio management decisions will be largely driven by a combination of a quantitative model output and risk management principles.

Benjamin F. Edwards Exchange Traded Fund Portfolios The BFE ETF Portfolios are managed internally by BFE employees. An annual review of the strategic asset allocation and the securities used in the models will be performed. The accounts will be rebalanced annually in accordance with this review. The other models in this program are provided by the third-party asset managers with whom BFE partners. Quarterly, the performance of the managers will be reviewed by BFE's Investment Strategy Committee to ensure continued adherence to BFE's qualitative standards. The third-party asset managers used in this program also regularly review the allocations and ETFs used in their models; the reviews performed by the third parties vary in frequency.

BFE will be notified of any changes to the model strategies. Rebalancing may occur as needed to individual accounts based on the changes to and the strategy for the models, considering advice received from the model providers. Rebalancing will be handled by BFE or our partners. In addition, the account will automatically be rebalanced when deposits and withdrawals occur. Trades will be done if the trade amount of the security is not less than five basis points times the size of the account. Confluence, Laffer and Morningstar are engaged in a business in which they provide models to firms such as BFE, as well as manage accounts independently of BFE on a fiduciary basis.

With respect to the ETF models provided by Confluence, Confluence will not provide BFE with changes to its models until after such changes are first implemented in its own clients' accounts. As a result, changes to Confluence's models that are implemented in BFE client accounts will take place after the changes in Confluence's accounts, and the performance in BFE's accounts will differ from those managed directly by Confluence. It is possible that Confluence's prior transactions could increase the price of ETFs that BFE's clients might have to pay for purchases or reduce the proceeds that might be obtained in connection with sales.

With respect to the ETF models provided by Laffer, Laffer will provide BFE with changes to its models before implementing the changes in their own clients' accounts. As a result, changes to BFE accounts may take place prior to, after or simultaneously with the changes in Laffer's accounts. As a result, the performance results of the BFE accounts will differ from those managed by Laffer.

With respect to the ETF models provided by Morningstar, they will provide BFE with changes to its models along with a date the changes should be implemented. The suggested implementation date will be the same day that Morningstar will trade their discretionary accounts.

First Trust does not directly manage the accounts. First Trust will notify all of its partners implementing their models of model changes at the same time on a quarterly basis.

Benjamin F. Edwards Custom Mutual Fund Portfolios Rebalancing will be implemented by BFE. The account will be rebalanced at the advisor's discretion to more closely align with the account's target asset and fund allocation percentages. In addition, the account will be rebalanced when deposits and withdrawals occur unless, in the judgment of BFE, the amount involved would not have a meaningful impact on the strategy.

During the life of the account, designated supervisory principals will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Private Portfolios During the life of the account, the Home Office Principal will monitor accounts to ensure activity is suitable and that the account is properly administered. Various reviews will be performed on a daily, monthly, quarterly or annual basis. In addition, ad hoc reviews will be performed as needed.

Benjamin F. Edwards Separately Managed Portfolios Quarterly, the third-party asset managers in the program will be reviewed by a member of the firm's Investment Strategy Committee to ensure continued adherence to our standards. In addition, a review will be conducted as needed based on potentially significant developments that may affect the operations or management of the asset manager or strategy (e.g., change of portfolio manager, corporate reorganizations, etc.). Both of which will be in coordination with the Investment Strategy Committee.

Adjustments will be made to the asset managers' status in the program as needed and individual accounts will be addressed accordingly based on the outcomes of the reviews.

Benjamin F. Edwards Unified Managed Account The accounts will be rebalanced by Lockwood if they drift away from the target allocations of the selected model. Lockwood and BFE will periodically, no less then annually, review the allocations and the bands for each model in this program. Ongoing monitoring of the available investments within the program will be performed by Lockwood and/or BFE.

Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios The accounts are rebalanced periodically to reflect market changes and to maintain compliance with Lockwood's strategy-specific guidelines. This may occur as a result of deposits, withdrawals or market movement. Rebalancing will be implemented by Lockwood.

The strategies for the Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios are managed by Lockwood. Quarterly, the performance of Lockwood will be reviewed by BFE to ensure continued adherence to BFE's qualitative standards.

Lockwood will review the allocations and securities used in their models on an ongoing basis. Adjustments will be made as needed to individual accounts based on the changes to the models.

Investment Management Consulting (with Execution) The services to be provided to the client, including delivery of any oral or written investment performance and other reports (to the extent required by the individual contract) will be performed by the financial advisor. The services to be provided under each agreement are tailored to the specific needs of the client. The advisory services agreement will outline any specific reports, meetings or other deliverables to be provided by BFE. A tailored supervisory plan will be developed but, in general, will feature review by the Branch Office Manager, or an appropriately designated sales principal, of the key deliverables provided to the client.

Client Reports

Clients who participate in wrap fee advisory accounts, with the exception of Investment Management Consulting (with Execution), will receive the following reports:

- Written (or, if elected by the client, electronic) account statements will be provided to clients at least quarterly through the Firm's asset custodian, Pershing, identifying the amount of funds of each security in the account at the end of the period and setting forth all transactions in the account during that period.
- Written (or, if elected by the client, electronic) performance reports will be provided to clients on a quarterly basis, identifying since inception, year-to-date, and current quarter values and returns, and benchmark returns. The initial report will be delivered once an account has been open for a complete calendar quarter.

Under certain circumstances, BFE permits advisory program assets to be held with a custodian other than Pershing. This may occur, for example, in connection with positions in alternative investments that must be held with the issuer of the securities. In some cases, information about such an asset is linked with our custodian, and the asset will be included in account statements and performance reports. If information is not linked, the asset will not be included on statements or performance reports. If clients have concerns about this issue, they should discuss it with their financial advisor prior to purchasing or holding a non-linked asset in an advisory account.

Clients who participate in BFE's Investment Management Consulting (with Execution) program generally negotiate a tailored scope of services. Depending on the services that are desired, written reports may be prepared, customized or developed for the client to address their particular needs.

Client Referrals and Other Compensation

Financial advisors of BFE will receive a percentage of the wrap fees paid by advisory clients to compensate them for solicitation, shareholder support, advice, order placement and execution, and other services. In addition, financial advisors may be eligible for cash and non-cash compensation including bonuses, recognition trips and other benefits. Some of these programs may be financed in whole or in part by unaffiliated third parties, including representatives of mutual funds or distributors, which may influence some representatives to favor those funds. See the prior sections entitled "Services and Fees" and "Other Financial Industry Activities and Affiliations" for more details regarding compensation and conflicts of interests.

BFE does not currently compensate non-affiliated third parties for investment advisory client referrals.

Financial Information

BFE does not foresee any financial condition that would impair our ability to meet contractual commitments to clients.

ADV Part 2A Appendix 1 Wrap Fee Program Brochure
Item 10 - Requirements for State-Registered Advisers

This section is not applicable to BFE since BFE is registered at the federal level with the SEC as an Investment Adviser and has made appropriate notice filings to various states as required.