



BENJAMIN F. EDWARDS®
INVESTMENTS *for* GENERATIONS®

One North Brentwood Boulevard
Suite 850
Saint Louis, Missouri 63105
Telephone 314-726-1600
Facsimile 314-726-1601
benjaminfedwards.com
Member of SIPC Member of FINRA

A Notice for Clients Who Purchased or Who Anticipate Purchasing Alternative Investment (or Alt) Funds

Alternative investment mutual funds (sometimes called alt funds or liquid alts) are publicly offered, SEC-registered mutual funds that focus on non-traditional investments or use complex investment and trading strategies. Investors considering alt funds should be aware of their unique characteristics and risks.

- **Investment Objectives:** Alternative mutual funds include a wide range of investment objectives designed to meet various investment needs. Many alt funds try to minimize swings in the value of their investments and reduce risks by spreading their investments among different asset types and/or using complex trading strategies. Some alt funds seek to generate above-market returns relative to other mutual funds that have a similar benchmark.
- **Investments:** Unlike traditional mutual funds, alt funds often seek to accomplish their investment objectives by investing in non-traditional investments. For example, alt funds might invest in assets such as global real estate, private debt and equity, start-up companies, or commodities such as gold or oil. These investments can sometimes offer greater diversification or less correlated returns than more traditional investments such as stocks, bonds, and cash.
- **Strategies:** Alt funds generally use more complex investment and trading strategies than more traditional mutual funds. For example, alt funds may sell stocks short, use derivatives, or follow "absolute return" or "market neutral" strategies that seek positive returns even when the stock markets fall. However, these strategies may result in higher costs and additional risks than traditionally managed funds.
- **Operating Expenses:** Alternative mutual funds may have higher expenses than their traditional mutual fund peers. The strategies pursued by alt funds are often complex and may require significant expertise and active management, which increase costs. In addition, the more complex strategies themselves may generate additional expenses.
- **Performance History:** Many alternative mutual funds have limited performance histories. For example, many were launched after 2008, so it is not known how they would perform in a down market. They may perform differently than broad indexes such as the S&P 500.
- **Fund Manager:** Learn as much as you can about the fund manager, such as how long he or she has managed the fund and his or her prior management or professional experience. You can find certain information about the fund manager in the fund's prospectus.

Out of an awareness of the complex nature of these funds, Benjamin F Edwards has sent you this notice.

Alternative Investment Funds are not suitable for all investors. The risks identified above are not exhaustive. There are a wide variety of Alternative Funds available, with attributes which affect their risks and potential rewards. Before making any investment decision, you should carefully consider the investment objectives, risks, charges, and expenses before investing in these products. This and other important information are included in the offering documents, which can be obtained from your Financial Advisor and should be read carefully. Benjamin F. Edwards & Co.® does not provide tax advice. You should obtain advice from your financial, legal and tax advisers for information about and analysis of the investment, its risks and its suitability in your particular circumstances.