

# Raymond James Financial Services Advisors, Inc. Wrap Fee Program Brochure

**December 23, 2025**

This Form ADV Part 2A, Appendix 1, Wrap Fee Program Brochure provides information about the qualifications and business practices of Raymond James Financial Services Advisors, Inc. If you have any questions about the contents of this Brochure, please contact your investment adviser representative or Asset Management Services Client Services department at 800-248-8863, extension 74991.

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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Raymond James Financial Services Advisors, Inc is available on the SEC’s website at <https://adviserinfo.sec.gov/>.

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## Item 2 – Material Changes

This section describes the material changes to Raymond James Financial Services Advisors, Inc.'s ("RJFSA") Part 2A of Form ADV, Appendix 1 ("Wrap Fee Program Brochure" or this "Brochure") since its annual amendment on December 20, 2024. This Brochure, dated December 23, 2025, has been prepared according to the SEC's disclosure requirements.

Additionally, in lieu of providing clients with an updated Wrap Fee Program Brochure each year, we provide existing advisory clients with this summary describing any material changes occurring since the last annual amendment. We will deliver the Wrap Fee Program Brochure or summary each year to existing clients within 120 days of the close of the fiscal year, which ends September 30. Clients receiving the summary of material changes who wish to receive a complete copy of our then-current Wrap Fee Program Brochure may request a copy at no charge by contacting the Asset Management Services Client Services department at 800-248-8863, extension 74991. RJFSA's current Wrap Fee Program Brochure is also available through the SEC's Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov/>, SEC# 801-69815, upon request through your investment adviser representative, or on the Raymond James public website: <https://www.raymondjames.com/legal-disclosures>.

The following material change(s) have occurred to this Brochure since its last annual amendment:

We updated the Cash Rule described in the "**Billing on Cash Balances Held in Ambassador Accounts**" section of this brochure to reflect the shift from using three (3) to two (2) consecutive quarter end valuation dates for exclusion of cash amounts in excess of 20% from your Account Value for billing purposes. Clients are already not charged the advisory fee on cash balance amounts in excess of 20% if held for more than 3 consecutive periods; this change is intended to further benefit clients holding cash balances over 20% in IAR managed advisory accounts by shortening the timeframe for when it becomes excluded from Account Value. This change will be implemented in the January 2026 billing cycle.

RJFSA has entered into an updated marketing arrangement with the Society for Human Resource Management ("SHRM") as described under the "**Client Referrals and Other Compensation**" section in this Brochure.

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## Item 4 – Services, Fees, and Compensation

### About Us

Raymond James Financial Services Advisors, Inc. ("RJFSA") is a wholly owned subsidiary of Raymond James Financial, Inc. ("RJF"), a publicly held company based in Saint Petersburg, Florida. RJFSA has been, and is currently, registered with the Securities and Exchange Commission ("SEC") as an investment adviser since December 2008 and has provided advisory services since January 1, 2009. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

RJFSA is also affiliated with Raymond James Financial Services, Inc. ("RJFS"), an introducing broker. RJFS is a registered broker-dealer, member FINRA and is a wholly owned subsidiary of RJF. IARs of RJFSA may also be registered with RJFS as registered representatives and therefore have the capacity to offer you certain broker-dealer related services that are not available through RJFSA. RJFS, as introducing broker, for the Ambassador Program accounts and the Outside Manager Platform ("OSM Platform") accounts, where applicable, facilitates the maintenance of custody of securities positions for your account through our affiliated, Raymond James & Associates, Inc. ("RJA"), including holding securities in nominee name and crediting interest and dividends received on those securities to your account and facilitate the clearing of securities transactions through RJA. Information about these and other material affiliations is further described in the [\*\*Other Financial Industry Activities and Affiliations\*\*](#) section.

As mentioned above, our affiliate, RJA, generally, acts as the custodian and clearing agent to client accounts introduced by us and facilitates various advisory programs through Asset Management Services ("AMS"), a division of RJA. In the Ambassador and OSM Platform accounts, which are sponsored by RJFSA, AMS establishes custodial facilities, provides clients with accounting and other administrative services, and assists OSM Managers with certain trading management activities. RJFSA investment advisor representatives ("IARs") may also offer to you other wrap fee programs that are sponsored by RJA. These programs will be discussed in detail in the RJA Part 2A of Form ADV, Appendix 1 ("RJA Wrap Fee Program Brochure"). AMS through its Investment Committee, as described in the RJA Wrap Fee Program Brochure, also provides portfolio management services to several of the wrap fee programs available to you through your RJFSA IAR. RJA is compensated for these services by receiving a portion of the advisory fee you have agreed to pay as outlined in your account agreement.

In partnership with you, your IAR assesses your investment objectives based on the information you provide initially, and on an ongoing basis, to determine which advisory programs, if any, are appropriate to recommend to you. We tailor our advisory services to your individual needs including your financial situation, needs, and objectives, and encourage you to inform your IAR as changes in your financial and personal circumstances occur so that they can provide you with appropriate advice.

RJFSA IARs and branch offices may use marketing or other branch names that are held out to the public. The purpose of using a branding or marketing name is for the IAR to create a brand that is specific to the individual IAR and/or branch.

Branch office owners in many cases will establish and maintain an outside entity, such as a limited liability corporation, to pay for office and other business-related expenses. On a limited basis, there are third parties that maintain an ownership interest in the branch owner's outside entity. Should an arrangement like this exist, the branch office will make separate disclosure to you of such arrangement and any potential conflicts.

RJFS and/or RJFSA, through networking agreements, maintain branch offices within various financial institution locations, such as banks, federal savings associations, and credit unions, through its Financial Institutions Division ("FID"). In many cases, your IAR is also a registered representative of RJFS and also provides services as an employee or independent contractor of the financial institution with which RJFSA is not affiliated. Your IAR's compensation related to the advisory services they provide to you may be dependent on the type of networking arrangement that is in place between RJFS and/or RJFSA and the unaffiliated financial institution. Please see the Networking Arrangements with Financial Institutions section under Item 14 – Payment for Client Referrals below for more information.

Our IARs offering advisory services are required to provide you with a current Form ADV Part 2B ("Brochure Supplement"), which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. You may also obtain additional information regarding your IAR, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at <https://www.raymondjames.com/legal-disclosures>. Should you have any concerns regarding any of the information contained in your IAR's Brochure Supplement, you are encouraged to contact our Advisory Compliance Department at 800-248-8863, extension 75877.

As used in this Brochure, the words "we," "our," "our firm," "the Firm," "RJFSA," and "us" refer to RJFSA and your Investment Adviser Representative ("IAR"), and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Assets Under Management

As of September 30, 2025, we had \$390.043 billion in assets under management, \$171.744 billion of which was managed on a discretionary basis and \$218.299 billion of which was managed on a non-discretionary basis.

## Types of Services

RJFSA offers advisory programs sponsored by its affiliate RJA ("AMS Managed Programs") and other advisory services which are not described in this Brochure. Depending on the services your financial advisor provides and/or the type of services or program(s) you select, you will be provided a copy of the appropriate brochure related to such advisory program. As described below, these brochures provide detailed information, disclosures, and potential conflicts of interest related to other advisory services, outside of our wrap fee programs, that we may provide you.

- RJFSA Form ADV Part 2A – We offer financial planning and/or investment consulting services to our clients through our Wealth Advisory Services Program. Detailed information about these advisory programs and other services offered through RJFSA are available in the RJFSA Form ADV Part 2A Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.
- RJA Form ADV 2A Appendix 1 (Wrap Fee Brochure) – Your IAR can provide certain advisory programs made available through Asset Management Services ("AMS"), a division of our affiliate RJA. Detailed information about these advisory programs offered through RJA are available in the RJA Wrap Fee Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.
- Institutional Fiduciary Solutions ("IFS") Form ADV Part 2A – Your IAR can offer advisory consulting services to institutional and qualified retirement plans, including program support, investment education and guidance, if selected by a client. IFS, a division of RJA, supports and maintains oversight over these activities. Details of the services provided by IFS are available in IFS Form ADV Part 2A Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

**Note for Non-U.S. Persons:** RJFSA and RJA are U.S.-based, SEC-registered investment advisers. We do not provide products and services in or into all countries. The products and services that we can offer or provide to you, and how we interact with you, may be limited based upon where you reside or are physically located, or other jurisdictional connections related to your account (for example, country of formation and countries in which authorized persons or beneficial owners reside, in the case of an account for a legal entity). We may limit products and services, decline to open an account, and/or close an existing account based upon such jurisdictional connections.

## Wrap Fee Sponsored Programs Offered

The RJFSA sponsored-wrap fee programs described in this Brochure are programs in which you pay a single bundled or "wrap" asset-based fee for both advisory and brokerage services. This fee generally includes compensation paid to us and your IAR for providing advisory services under the program, RJFSA as introducing broker, and to RJA as clearing broker and custodian, for its execution, clearing, custodial, and other administrative services. Advisory services within a wrap fee program may include portfolio management or advice concerning the selection of other investment advisers. Generally, securities transactions in our wrap fee programs are effected "net," (i.e., without commission) and a portion of the wrap fee is generally considered to be inclusive of commissions charges.

For details on the fees you will pay under our wrap fee programs including additional expenses that can be incurred outside of the wrap fee, please refer to the "[Additional Expenses](#)" section and our fee schedules in the "[Maximum Fee Schedules for the Ambassador Account Programs and OSM Dual Contract Platform](#)" section.

RJA provides support and administrative services for clients and IARs through the Ambassador Program, such as establishing custodial facilities, initiating and/or adjusting pre-existing periodic investment and disbursement/payment plans, cash disbursements, account inquiry services, billing and payment remittance support, sales and trading support, educational opportunities, and training to IARs and other account maintenance services. Unless you have requested and completed account documentation related to setting up solely a "delivery versus payment" or DVP arrangement for your Advisory Program (where your assets are held with a third-party, unaffiliated custodian), RJA or its affiliated custodian will custody advisory account assets. Maintaining custody of account assets includes holding securities in nominee name and crediting interest and dividends received by RJA to the account for securities held in the account. As custodian, RJA's administrative services include, at least quarterly, producing a statement for you detailing Securities held in your advisory account; gains or losses; transactions; and receipt and disbursements of funds, interest, and dividends. For individual Retirement Custodial Accounts (IRAs), Raymond James Trust Company of New Hampshire is custodian and RJA is sub-custodian. RJA also provides execution and clearing services for accounts carried and/or custodied at Raymond James.

In the Ambassador Program, RJFSA and your IAR provide advisory services, and your IAR advises you in either a discretionary or non-discretionary capacity on your account assets ("IAR Managed Program"). In a discretionary account, you delegate to your investment adviser the authority to decide what securities to buy or sell for your account. In a non-discretionary account, your investment adviser will provide you with advice in the form of recommendations but the decision to buy or sell securities is made by you. Your delegation of investment discretion to RJFSA will generally result in securities and other investment prospectuses (and other associated regulatory mailings) being available to RJFSA as the client for investment purposes. We will make these materials available to you upon request. RJFSA also offers the OSM Manager platform, through AMS, in which you enter into a separate contract with an outside manager. Each dual contract platform provides a discretionary manager with the OSM Manager exercising discretionary authority as described below. The chart below provides an overview of the advisory wrap fee program and dual contract platform we offer.

## Chart – Overview of our Advisory Programs

Advisory Programs	Investment Adviser(s)	Type of Program	Discretionary Authority Maintained By	Use of Affiliated Subadvisors and/or Mutual Funds	Maximum Advisory Fee <sup>1</sup>	Investment Products/ Discipline	Investment Minimum <sup>2</sup>	Margin trading available
Outside Manager	IAR and OSM	Dual Contract SMA Platform	OSM Manager	No	2.25% RJFSA fee + OSM Manager Fee	Refer to the OSM Manager's Form ADV Part 2A	\$100K - \$200K (minimums vary by OSM Manager)	No <sup>4</sup>
Ambassador	IAR	IAR Managed Program Account	IAR Discretionary or IAR Non-Discretionary <sup>1,3</sup>	Yes	2.25%	All	\$25K	Margin is generally permitted in non-discretionary account only

<sup>1</sup>Maximum Advisory Fee includes compensation to be paid to RJFSA and your IAR, unless otherwise noted. Please note that each program fee schedule has a reduced fee at progressively higher asset levels and only the maximum fee is listed above assuming the minimum required investment. Other fees may be applicable. The fee shown reflects only RJFSA's Platform fee. A separate OSM Manager fee under your advisory agreement with the OSM Manager also applies. Please refer to the "[Additional Expenses](#)" section and the "[Outside Manager \(OSM"\) Platform \(Dual Contract Platform\)](#)" section for more details.

<sup>2</sup>Below minimum accounts may be accepted based on individual circumstances of the client's relationship with the firm and their advisor. Certain high net worth strategies within RJFSA's advisory programs, may be available to eligible qualified purchasers, subject to higher account minimums. If you are a qualified purchaser, please consult with your financial advisor for more information.

<sup>3</sup> Accounts managed by your IAR either on a discretionary or non-discretionary basis.

<sup>4</sup> Certain Outside Managers invest in options which require additional approvals on the account, such as options trading approval and, for more sophisticated and higher risk option strategies, margin approval. Please see the "[Buying Securities and other Investments on Margin and Margin Interest](#)" section as well as the Option Purchases/Sales portion of the "[General Risks Associated with Portfolio Investments](#)" section for more details.

## Overview of our Advisory Programs

### Ambassador Account (“Ambassador”) Program (IAR Managed Program)

Ambassador offers you either discretionary or non-discretionary advisory services provided directly by an IAR. Ambassador offers you the opportunity to work with your IAR but maintain full investment authority and direct the individual investments made within your account (non-discretionary), or you can authorize your IAR to assume full investment authority over your account (discretionary). When you have an Ambassador IAR Discretionary Program Account, your IAR must meet certain internal qualifications through our Discretionary Program application process. To learn more about the qualifications we generally require of our IARs to be able to offer discretionary account services, please refer to the "[IARs as Portfolio Managers](#)" section for additional information. If you delegate discretionary authority to RJFSA in an Ambassador IAR Discretionary Program Account, your IAR assumes all investment duties on your behalf and exercises discretion with respect to your account. You will not be consulted prior to your IAR effecting transactions in your account. If you retain discretionary authority, as you do in an Ambassador IAR Non-Discretionary Program Account, you are responsible for approving which investments and in what quantities are to be purchased or sold in your account. For more information on conflicts of interest associated with your IAR providing advisory services and how we address those conflicts, please refer to the "[IAR Compensation](#)" section. In the Ambassador Program, RJFSA, via your IAR, not RJA, are providing investment advice as to which securities and in what quantities should be purchased or sold.

As part of the Ambassador Program, your IAR can help you determine your goals and the level of risk that is comfortable for you, assist you in choosing investments, provide you with ongoing investment advice, monitor your securities holdings, rebalance your account, as needed, meet with you periodically to discuss your investments, and learn whether your needs have changed. Your IAR provides ongoing services to your account according to your objectives, on a non-discretionary or a discretionary basis. Please refer to the "[Methods of Analysis, Investment Strategies, and Risk of Loss](#)" section for more details.

The Ambassador Program may be appropriate for an investor seeking to create or consolidate their investment portfolio within a single account. You can hold a broad range of investments such as mutual funds, exchange traded funds, stocks, bonds, real estate investment trusts, options, and other investments. RJFSA reserves the right to place limits on certain investments that may be purchased or held in an Ambassador Program account. You have access to periodic statements (“account statements”) provided by the custodian in any month or quarter in which there is activity in your account and reporting tools to help track your investments and investment performance. Accounts in the Ambassador Program are not designed for day trading or other extreme trading activity, including excessive options trading or trading in mutual funds based on market timing. We reserve the right to terminate, in our sole discretion, any client account in the Ambassador Program that we feel has engaged in or exhibited excessive trading.

RJFSA's affiliated investment advisor, RJA through a sub-advisory relationship, provides a model strategy that is available through our RJRP Program to First Trust Advisors L.P. (“First Trust”), an SEC registered investment adviser, for their implementation in the First Trust Raymond James Multicap Growth Equity Exchange Traded Fund (FT-ETF), ticker symbol

RJMG. The FT-ETF is available for direct investment in brokerage accounts, Ambassador Program Accounts, and outside investment accounts. How an investor accesses this strategy, e.g. through the RJRP Program or directly through investment in the ETF, will result in differing advisory fees and/or other costs and expenses. The FT-ETF and related conflicts of interest are further described in the "[Compensation Associated with FT-ETF Sub-Advisory Services](#)" and the "[ETF Sub-Advisory Services](#)" sections below.

We receive marketing and education support payments from affiliated and unaffiliated product sponsors, including mutual fund companies, for providing marketing and other sales support services related to their products or services that are made available to you. Please refer to the "[Education & Marketing Support Fees](#)" section for additional information. Advisory fees charged for the management of your account are in addition to annual management fees and other fees, including short-term redemption fees, operating expenses, and distribution fees assessed by Funds and other investments. Please refer to the "[Additional Expenses](#)" and "[Investment Costs](#)" sections for more information.

### **Fee-based Annuities**

IARs can make sub-account allocation recommendations for fee-based annuities serviced by the Firm on a non-discretionary basis for an advisory fee, subject to the Ambassador Fee Schedule located in the "[Maximum Fee Schedules for the Ambassador Account Programs and OSM Dual Contract Platform](#)" section. You maintain discretionary authority over the selection of the sub-accounts or underlying investment options, which means that your IAR must consult with you to obtain your approval as to which sub-accounts/investments are to be purchased, reallocated, or sold in your annuity.

Advisory fees charged for the sub-account/investment allocation recommendations provided for the fee-based annuities are in addition to any underlying contract fees related to the fee-based annuity. You may refer to your fee-based annuity's prospectus for a description of any underlying contract fees. You should be aware that certain riders purchased with the fee-based annuity may limit the investment options and the ability to reallocate to certain sub-accounts. Additionally, the decision to liquidate a fee-based annuity prior to the end of its surrender charge period may result in early withdrawal charges and a complete loss of certain benefits for which fees may have previously been paid to the annuity company. For variable annuities and certain registered index-linked annuities, you should rely solely on the disclosure contained in the annuity contract and the product prospectus with respect to the terms and conditions of the annuity. For details on the provisions of the index annuity, please refer to the annuity contract. Please also refer to the "[Additional Expenses](#)" and "[Investment Costs](#)" sections for more information.

The issuer fee-based annuity must be linked to your Ambassador account to effect billing. In order to bill you for investment advice on the fee-based annuity, you will need to maintain a cash balance in your Ambassador account from which your advisory fees can be deducted or provide another non-retirement brokerage account for the advisory fee to be debited. Refer to the "[Fee-Billing Practices](#)" section for information about our fee billing practices.

### **Legacy Advisory Programs**

We have offered or sponsored other advisory programs to clients in the past that we may no longer offer to prospective clients for a variety of reasons. In those cases, active legacy advisory accounts established in those prior investment advisory programs continue to be managed under the pre-existing advisory program agreement. For example, prior to 2004, certain advisory accounts were directly managed by Eagle Asset Management, an affiliated investment adviser and custodied at RJA pursuant to client instruction. Beginning 2004, Eagle retail advisory client accounts were offered to RJFSA and its affiliate RJA through RJA's RJCS platform pursuant to a sub-advisory agreement between RJA and Eagle. As of January 2015, the Eagle High Net Worth ("EHNW") program is no longer offered to prospective clients, as the investment disciplines available in EHNW generally became available through RJA's RJCS Program.

### **Outside Manager ("OSM") Platform (Dual Contract Platform)**

In the OSM Platform, investment advisory services are provided to you by two different investment advisers through two advisory contracts (what is referred to as a "Dual Contract"): (1) under your OSM agreement ("OSM Agreement") your IAR will provide non-discretionary advisory services in recommending the OSM Platform and assisting you with selecting a third-party Manager ("OSM Manager") and a compatible investment discipline available through the OSM Platform, and (2) through a separate investment management agreement between you and the selected OSM Manager (to which Raymond James is not a party). You appoint the OSM Manager to manage the assets of your account on a discretionary basis, which means you delegate the authority to your OSM Manager to decide what securities to buy or sell for your account in accordance with the investment discipline you select.

Under the OSM Agreement, your IAR will provide non-discretionary advisory services. Your IAR generally (i) assists you in defining your investment objectives based on information you have provided, (ii) determines whether the given fee arrangement is appropriate, (iii) aids in the selection or retention of an OSM Manager(s) to manage the account, and (iv) monitors your account to determine if a change in the Program, OSM Manager or discipline your previously selected is appropriate.

RJFSA's role is exclusively non-discretionary. The OSM Manager has discretionary authority under your management agreement with the OSM Manager to make all investment decisions and is solely responsible for the management of your account. Your IAR will not make initial or ongoing investment recommendations. RJFSA does not have the ability to select investments for purchase or sale within the OSM Platform Account. RJFSA, through RJA executes transactions as instructed by the OSM Manager only. RJA, acting as administrator for the OSM Platform, provides various support services, including account opening and maintenance, processing of cash contributions, withdrawal and distribution requests, semiannual monitoring of the OSM Managers, and facilitation of

terminations of a client's participation in the OSM Platform. RJA and/or its affiliates provide custodial and brokerage services, including execution services for trading the OSM Manager elects to do through Raymond James, or settling and allocating trades to accounts when the OSM Manager elects to trade through a firm other than Raymond James. Raymond James will only carry out transactions as it is instructed by the OSM Manager. OSM Managers may have alternative arrangements for trade execution under your agreement with that OSM Manager. If the OSM Manager instructs RJA to effect trades through us, you will not be separately charged for brokerage commissions in addition to your OSM advisory wrap Fee charged by us. If the OSM Manager elects to use brokers-dealers other than our Firm to effect a transaction ("trade away"), brokerage commissions and other charges for transactions not effected through us are generally charged to you by the executing broker or dealer. Please refer to the "[Additional Expenses](#)" section for more information. OSM Managers are generally registered as investment advisers with the SEC, but in certain cases the OSM Manager is registered instead with its state securities authority. Certain Managers may invest a portion of your account, or include an allocation within their Model Portfolio, in mutual funds and/or ETFs, some of which may be affiliated with the Manager. Please refer to the "[Manager Funds and Manager-Affiliated ETFs](#)" section for additional information.

The OSM Manager typically calculates and collects their own management fee. We will debit the OSM Manager's fee to your account as authorized by you in the OSM Agreement but are not responsible for verification of the fee computation. We may accommodate different billing arrangements for OSM Managers on an exception basis, including OSM Managers that bill in arrears, assess a performance-based fee or bill in advance in equal installments rather than the specific number of days in the billing period, or otherwise may delegate the billing administration to AMS. Certain OSM Managers may be compensated by performance-based fees. In these cases, our Firm and our IARs do not receive compensation based on the performance-based fee charged by the OSM Manager. Additional information about the performance-based fee charged can be found in the OSM Manager's investment management agreement, their Form ADV Part 2A or equivalent disclosure document.

RJFSA, through your IAR, has an initial and ongoing obligation to determine the appropriateness of your participation in the OSM Platform, the selected investment discipline, and OSM Manager. The investment adviser firm and your financial advisor retain the responsibility to monitor your account(s) and recommend to you if changes should be made to your OSM Platform selection(s).

We do not offer the full spectrum of outside managers and investment disciplines available throughout the financial services industry through the OSM Platform. The OSM Platform is typically used to accommodate IARs joining our Firm who have clients with pre-existing relationships with an investment manager not otherwise available in our wrap fee programs or with a Manager that is already approved as an OSM Manager. A Manager may be added to the OSM Platform at our discretion, and factors that may be considered include the anticipated demand for the Manager, a prospective client's request, and the availability of similar investment disciplines through other advisory programs or through alternative investment vehicles such as Funds or alternative investments, among other factors.

## **Advisory Fees**

In our wrap fee programs described above, you are generally assessed an inclusive wrap fee for advisory and brokerage services. Under a wrap fee arrangement, you pay an annual asset-based fee (the "Fee") which is calculated as a percentage of assets under management in the account. The Fee includes compensation paid to your IAR, the firm they are affiliated with, any affiliated and non-affiliated Manager, and to RJA and RJFS, as applicable, for trade execution, custodial, trade clearance, investment advisory, and administrative services. While the allocation of the Fee may change at any time without your consent, the total Fee percentage charged to your account will not increase above your agreed-to negotiated rate without your consent. You can incur additional expenses outside of the wrap fee charged to you and more information about those expenses is provided in the "[Additional Expenses](#)" section below.

We maintain a fee schedule ("maximum fee schedule") that outlines the maximum fee rates that can be charged to clients at specific asset-level breakpoints. Please refer to the "[Maximum Fee Schedule for the Ambassador Account Programs and OSM Dual Contract Platform](#)" section for more information. When maximum fee rates are applied, your financial advisor receives the same fee rate regardless of which wrap fee program you select. However, Fees may be negotiated with your IAR based on a variety of factors, including the nature and size of your overall relationship with your advisor and/or anticipated investment services to be provided. While Fees are negotiable, the client's Fee cannot exceed the fees outlined in the maximum fee schedule for the listed asset-level breakpoints, which cannot be modified in any way.

An inherent conflict exists in how we handle billing variations from the applicable maximum fee schedule, as compensation arrangements can result in higher gross compensation to the IAR from one advisory program to another. Information regarding conflicts of interest related to advisory fees for other wrap fee programs that are sponsored by RJA are discussed in detail in the RJA Wrap Fee Program Brochure.

Fees also vary depending in what advisory program a product is held. As described under the Ambassador Program description, certain Funds, strategies, or other investments, may be available through multiple Account and/or Program types. For example, the First Trust Raymond James Multicap Growth Equity Exchange Traded Fund (FT-ETF) is available for direct investment through an Ambassador or brokerage account but also available as a strategy offered in Raymond James Research Portfolio Program. You should discuss with your financial advisor which investment option may be more appropriate for you. For information concerning conflicts of interest created by the Firm's and your IAR's compensation and how we mitigate those conflicts of interest, please refer to the "[Compensation](#)" section.

Employees and our affiliates' employees may be offered reduced advisory fees for their personal advisory accounts.

We calculate maximum Fees on a retroactive basis instead of on an incremental basis. As the aggregated Relationship Value (described in further detail on the following page) reaches each higher asset tier, or “breakpoint,” the applicable Fee is reduced and assessed retroactively to the first dollar of your account assets. That is, our advisory programs have built in breakpoints to reduce fees as the assets in your advisory account(s) rise. Combining related accounts effectively acts as a discount to the maximum program fee schedule by allowing you to achieve a lower breakpoint rate as your Relationship Value increases. Aggregating related fee-based accounts to obtain additional fee discounts related to available breakpoints is further described below in the [“Aggregation of Related Fee-Based Accounts”](#) section. As the aggregated relationship value reaches each higher asset tier, or “breakpoint”, the applicable fee is reduced and assessed retroactively to the first dollar of the assets.

## **Fee Billing Practices**

When we calculate your Fee, we use “Account Value”, which may be different than the values as reported on your account statements. In your advisory agreement(s), which may include the Master Advisory Agreement, Account Value is defined as (i) the total of the absolute market values of each of the non-cash assets (e.g., securities, shares of funds, and other investment vehicles) in the account, long or short, in addition to the unrestricted cash available for investing, but (ii) excluding cash debit balances and non-billable assets (such as restricted cash for certain short positions). For purposes of calculating Account Value, the market value of any fee-based annuity held in your advisory account is based on the market value of the annuity as disclosed on your Raymond James quarterly statement as provided to Raymond James by the insurance company. Please refer to the [“Understanding your Account Statement: Account Statement Value and Account Value Differences for Fee-Based Accounts”](#) section for information on the account valuation methodology we use to calculate the Fee.

The advisory Fee for our Programs and Dual Contract Platform is typically paid quarterly in advance. Your initial advisory Fee will be based on your initial contribution and will generally be assessed for the remainder of the current billing period; the initial Fee payment will become due in full on the date of account inception. Thereafter, the quarterly advisory Fee will be paid in advance and calculated on the Account Value, excluding any non-billable assets in the account, as of the last business day of the previous calendar quarter (e.g., the quarterly fee assessed in July is for advisory services to be provided July, August, and September based on the Account Value on the last business day of June) and will become due on the following business day. We may make accommodations to our billing procedures based on your specific request, from time to time under limited circumstances, subject to our sole discretion.

### Special Billing Procedure for Deposits or Withdrawals of \$100,000 or More:

In the first two months of the quarter, we will:

- (i) Assess the Fee based on the billable capital addition amount on the date of deposit for the pro rata number of days remaining in the quarter, or
- (ii) Refund the prepaid Fee based on the value of billable cash or securities withdrawn on that date for the pro rata number of days remaining in the quarter.

During the last month of the quarter, no additional Fees or adjustments to previously assessed Fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless at your request, subject to approval by AMS.

In spite of the above \$100,000 adjustment threshold, we reserve the right, to process or not process Fee adjustments when the source and destination of deposits and withdrawals involve your other fee-based advisory accounts. For example, a transfer of \$100,000 into a joint OSM account funded from two \$50,000 withdrawals from separate Ambassador accounts would have the \$100,000 billed in your joint OSM account and each of the Ambassador accounts will be refunded previously assessed fees on the separate \$50,000 withdrawals for the pro rata period remaining in the quarter.

Unless you elect to receive a separate billing invoice, you authorize and direct RJA, when acting as custodian, or sub-custodian, to deduct advisory fees from one of your accounts. Please note that, if you elect to receive a separate billing invoice, pursuant to your account opening documentation, we reserve the right to deduct Fees from the account assets if invoices are unpaid. The amounts disbursed from your account, including the amount of the Fee, the Account Value on which the Fee was based, and the manner in which the Fee was calculated is available in the “Understanding your Statement” section below. The details also accompany your quarterly statement.

While we have designed reasonable controls to monitor for the accuracy of advisory Fees, it is your responsibility to verify the accuracy of your advisory Fees, including the advisory fee rate applied to your account(s), and to contact us immediately if you believe your statement is inaccurate.

## **Understanding your Account Statement: Account Statement Value and Account Value Differences for Fee-Based Accounts**

RJA, when acting as the custodian, or sub-custodian, to your account assets, will send you a quarterly (at least) account statement detailing the assets in your account(s) and activity in that period. There is a section in each statement entitled, “Understanding Your Statement” that provides you with information to help you understand the various sections and details of the statement. The Account Value is a specific calculation we use to calculate your Fee that takes into account a number of billing rules. For additional billing rules, please also refer to the Aggregation of Related Fee-Based Account and Special Billing Procedure for Deposits or Withdrawals of \$100,000 or More sections. Account Value is not necessarily the same as other values reported on the account

statements we send you. Here are some of the reasons why account statement values may differ from Account Value:

1. **Trade Date versus Settlement Date** - We include or exclude some securities in Account Value and charge the Fee on them although they are not shown on your account statement because the security settled after the end of the statement period, which is the last business day of the previous calendar quarter. Your account statement includes all securities and cash balances settled as of the end of the statement period. But when we calculate your Fee we treat cash balances and securities as being held in your account as of that security's trade date and we value that security as of the end of the quarter, even though the security has not settled in your account yet. As a result, there can be differences between the account statement information as of statement end and the Account Value used to calculate your Fee. For example, if you buy a security in your account and the purchase has not yet settled at quarter end, your account statement will show the cash we used to buy the security and not the security itself; however, the Fee will be assessed on the security value as of the end of the month and not the cash used to buy the security. Conversely, if you sell a security in your account, and the sale has not yet settled at quarter end, your account statement will show the security value and not the proceeds of the sale; however, the Fee will be assessed on the cash proceeds and not the security value.
2. **Treatment of Short Sale Transactions (Short Equities and Options) and Associated Cash Balances** - Because your account statement reads like a balance sheet, securities held short (that is, you sold a security that you do not own generating a cash position in your account) at the end of the billing period are shown as liabilities. However, we charge the Fee on the *absolute* value of the securities held short, meaning that while the short positions are shown as a negative number (liability) on your account statement because you do not own the position, we treat them as if you own them and we charge the Fee based on their market value, which is a positive number. Conversely, we do not charge the Fee on the cash balances associated with the equity short sale (i.e., the cash generated from the sale of the position that you do not own) and any ongoing cash requirements, because we reserve that cash to buy the shares to deliver to the buyer, or "close out" the short sale. This is referred to as restricted cash and will fluctuate based on the movement of the underlying short position. For example, if you sold \$20,000 of a security that you do not own, you hold a short position is treated reflects a \$20,000 liability (a negative number) on your account statement. However, that short position as an asset under management in your advisory account and, therefore, a \$20,000 short position (a positive number) would be included in your Account Value for purpose of calculating your Fee, but the cash generated from the sale of that security would not be included in your Account Value for purpose of calculating your Fee. In this way, we are only accounting for the short position *once*, by using the absolute market value of the position in your account. In contrast, we do charge the Fee on cash balances generated from short option positions, as we can use that cash to buy securities for your account.

Here is an example of how we charge the Fee on short equity positions in your account:

Let's assume your account has a short equity position with a short market value of \$20,000, long securities (securities you own) with a long market value of \$85,000, and \$20,000 in cash balances. Your account statement will show your account value to be \$85,000. But we charge your Fee on the absolute market value of the positions in the account (Account Value), which is actually \$105,000. The breakdown would be as follows:

Amount	Position	Account Value
<b>\$20,000</b>	<b>Short position as shown on account statement</b>	Included as \$20,000 for billing (absolute value)
<b>\$85,000</b>	<b>Long equity position</b>	Included as \$85,000 for billing
<b>\$20,000</b>	<b>Cash position associated with the short position</b>	This cash is restricted and excluded from billing.
<b>\$105,000</b>	<b>Absolute market value</b>	

Here is an example of how we charge the Fee on short options positions in your account:

Let's assume you sell short an options contract equivalent to \$20,000 (that is, you sell an options contract that you do not own). Let's also assume that you hold this short option position instead of the short equity position in the example above. We will charge the Fee on the Account Value, which would be \$125,000. The breakdown would be as follows:

Amount	Position	Account Value
<b>(\$20,000)</b>	<b>Short option position as shown on account statement</b>	Included as \$20,000 for billing (absolute value)
<b>\$85,000</b>	<b>Long equity position</b>	Included as \$85,000 for billing
<b>\$20,000</b>	<b>Cash position generated by the short option position</b>	Included as \$20,000 for billing, (this cash is unrestricted and can be used to buy additional securities)
<b>\$125,000</b>	<b>Absolute Market Value</b>	

If any short position increases in value, you will have to pay more to buy the position you need to deliver to the buyer (close out the short position). If the share price is higher than your short sale price, you will have unrealized losses. This also means that the Account Value we use to calculate your Fee will increase as well and you will pay a higher Fee than if the short positions had not increased in value. The amount of your higher fee will depend on how much unrestricted cash you have in your account to offset the restricted cash we must hold for the short position. Any

unrealized losses on short sales that result in a higher Fee to you will also increase the compensation to your Financial Advisor if the short position is held on the last business day of the previous calendar quarter and therefore included in your quarterly advisory Fee.

If you own large short positions or maintain a margin balance that is large compared to your other holdings, this generally results in the largest difference between the value shown on your account statement and the Account Value we use to calculate your Fee. The value on your account statement is reduced by liabilities (your short positions), while your Account Value and your Fee is increased by your short positions. If you hold large short positions or maintain a large margin balance relative to your other holdings, this difference likely will be significant, and your Account Value could be twice as large – or more – than value shown on your account statement. If you have questions on how margin or short values affect your fees under various circumstances, you should contact your financial advisor.

3. **Cash Balances** - Clients that hold cash balances greater than 20% of their overall Account Value as of the last business day of the quarter ("the valuation date") for two (2) consecutive quarterly valuation dates will have the cash balance above 20% of the Account Value excluded from the Account Value used to calculate advisory Fees. Please refer to the "[Billing on Cash Balances Held in Ambassador Accounts](#)" section for additional information. In OSM Dual Contract Platform accounts, cash balances are generally expected to be a small percentage of the overall account value and are included for billing purposes.

In OSM Dual Contract Platform accounts (when AMS is responsible for calculating your Fee), cash balances as part of a dollar cost average or periodic investment plans are typically excluded from the Account Value used to calculate advisory fees. For example, a client that has instructed us to invest \$25,000 in monthly increments over the course of the next six months will have this cash balance reflected on his or her account statement, but this balance is excluded from the Account Value until invested, and therefore not assessed an advisory Fee. In Ambassador accounts, monies set aside for dollar cost average or periodic investments plans are included in the Account Value. For more information concerning periodic investment plans, please refer to the "[Opening an Account: Account Funding and Documentation Requirements](#)" section.

4. **Non-Billable Assets** - Clients that hold securities and other assets designated as non-billable are not assessed advisory fees on these positions. As a result, the Account Value upon which the advisory fee rate is applied will not include the value of these positions, although these positions will be included on the account statement. Please note that these non-billable assets are not designated as such on your account statement. Please refer to the "[Non-Billable Assets](#)" section for additional information.
5. **Worthless Securities** – Clients that hold securities with no current value are not assessed advisory fees on these positions. Worthless securities have no billable market value and are not subject to billing or included in services, such as the Tax Overlay Service. However, they may be kept in the account if they're expected to have value in the future.
6. **Primary Market Distributions** - Clients that purchase initial public offerings and other new issues where brokerage commissions are included in the offering and we (or an affiliate) are a distribution participant are not assessed advisory fees on these positions for one year from their purchase date. As a result, the Account Value will not include the value of these positions, although they are reflected on the account statement. Please refer to the "[Participation or Interest in Client Transactions](#)" section for additional information.
7. **Fee-Based Annuities** - For purposes of calculating Account Value, the market value of any fee-based annuity linked to your Ambassador account is based on the market value of the annuity as disclosed on your RJ brokerage statement.

Your account statement value may differ from the Account Value for reasons other than those listed above. Positions subject to the 20% cash balances policy, non-billable assets, or other excluded positions in the account will result in differences between the Account Value and account statement value. The methodology we use to derive the Account Value is intended to include assets or positions in your advisory account that we consider to be "assets under management".

## **Account Valuation and Pricing**

We rely on third party pricing services to determine the value of your account assets. These values are shown on your account statements and are used in preparing your performance reports. However, if you have assets custodied with a third-party custodian and the third-party pricing service does not provide a price for assets in your account, we generally rely upon the price reported by your third-party custodian. The prices shown on your account statements provided by the third-party custodian could be different from the prices shown on statements and reports provided by us.

While sources used for pricing publicly traded securities and other investments are considered by us to be reliable, the prices may be based on actual trades, bid/ask information, third-party vendor evaluations, or other methodologies. As a result, these prices may or may not reflect the actual trade prices you would receive in the current market. Pricing for non-publicly traded securities and other investments are obtained from a variety of sources, which may include issuer-provided information (such as for limited partnerships, real estate investment trusts, annuity firms and other alternative investments). We cannot guarantee the accuracy, reliability, completeness, or availability of this information. If a price for non-publicly traded securities is not available, the position will be priced at zero or reflected as 'N/A'.

## **Aggregation of Related Fee Based Account**

We aggregate fee-based accounts for billing purposes based primarily on information provided by IARs and clients. It is your obligation

to notify your IAR if there are accounts that you believe should be included as “related”. Upon your request, we will aggregate your related fee-based accounts for billing purposes so that each account pays a Fee under the disclosed program fee schedule that is calculated on the basis of the combined billable Account Value of all related fee-based accounts (“Relationship Value”), although we reserve the right to determine whether accounts are “related”. In general, related accounts are typically combined based on how you instruct your IAR to link your accounts for the delivery of account statements, trade confirmations and other forms of client communications for example, the combination of accounts contained in an account statement delivery packet delivered to a unique address. However, your IAR may consider additional accounts even when account statements are being delivered to multiple addresses. Combining related accounts effectively acts as a discount to the maximum program fee schedule by allowing you to achieve a lower breakpoint rate as your Relationship Value increases. As a result, it is important for you to consult with your IAR, as factors other than the social security number or tax identification number may be considered by the IAR when combining accounts for fee billing purposes. For example, accounts of a spouse or domestic partner, your children, or other relatives’ may be combined based on your collective relationship with your IAR. Please note that we may be limited in our ability to combine your retirement accounts where a prohibited transaction under the Employee Retirement Income Security Act of 1974 (“ERISA”) or the Internal Revenue Code of 1986, as amended, may result.

The negotiated discount rate applies until the disclosed program fee schedule breakpoint results in a lower Fee. IARs receive more compensation if the aggregation of related fee-based accounts is not applied. It is important for you to disclose to your IAR for consideration any and all potential and applicable relationships that have the potential to result in your account(s) receiving a breakpoint discount.

### Maximum Fee Schedule for the Ambassador Account Programs and OSM Dual Contract Platform

This schedule outlines the maximum fee rates that can be charged to clients at specific asset-level breakpoints. When maximum fees are applied, your financial advisor receives the same fee rate regardless of which wrap fee program you select.

Advisory Programs/Platform	Up to \$1M	\$1M-\$2M	\$2M-\$5M	\$5M-\$10M	\$10M +
<b>Ambassador Wrap Fee Program</b>	2.25% <sup>1</sup>	2.00%	1.75%	1.50%	1.25%
<b>OSM<sup>1</sup>–Dual Contract Platform</b>	2.25%	2.00%	1.75%	1.50%	1.25%

<sup>1</sup> The fee shown reflects only RJFSA's Platform fee. A separate OSM Manager fee also applies.

### Non-Billable Assets

Certain securities or other investments may be held in your Ambassador account and designated as non-billable assets. There are two primary categories of non-billable assets: Client-designated and Raymond James-designated (“RJ-designated”). Client-designated non-billable assets may be designated by IARs that do not wish to collect an advisory fee on certain assets, while RJ-designated non-billable assets are designated by us in accordance with Firm policy. For example, an IAR may make an arrangement with you to hold a security or investment that the IAR did not recommend. Or you may wish to hold a security or investment for an extended period of time and do not want your IAR to sell the security for the foreseeable future. In these cases, your IAR may elect to waive the Fee on this investment or security but allow it to be held in your advisory account. Assets designated by you as temporarily exempt from the Fee fall into the Client-designated category. Alternatively, we may determine that certain securities or investments may be held in an advisory account but are temporarily not eligible for the Fee (for example, certain mutual funds, market-linked notes and market-linked certificates of deposit and unit investment trusts (“UITs”) purchased with a front-end sales charge through us within 12 to 14 months, dependent on the investment, and certain primary market offerings with embedded commissions). Certain mutual funds converted to advisory fee eligible share classes may become eligible if held at least one year, subject to certain conditions. Certain primary market offerings with embedded commissions become eligible for fee billing, if held for at least one year from the trade date where commissions were incurred. For additional information regarding exclusion periods, please refer to the [“Conversion of Mutual Fund Share Classes and 12b-1 Fees”](#) section. Assets designated by us as temporarily exempt from the advisory fee fall into the RJ-designated category. In this category, an advisory fee will not be assessed during the period the asset is not fee eligible. Alternative Investments that pay upfront and/or ongoing commissions or distribution/servicing fees are designated as non-billable assets for as long as the position is held in the advisory account.

The following chart illustrates which Ambassador account types permit the use of Client-Designated and RJ-Designated non-billable assets:

Account Type	Client-Designated	RJ-Designated
<b>Non-retirement</b>	Permitted	Permitted
<b>Retirement</b>	Not Permitted	Permitted

Further, uninvested cash can be coded as a non-billable asset in both retirement and non-retirement Ambassador accounts.

PLEASE NOTE: Client-designated non-billable assets, with the exception of cash, and the maintenance of these positions in your account are not permissible in Ambassador retirement accounts (such as individual retirement accounts (“IRAs”) and

employer sponsored retirement plans). We have elected to preserve the ability for clients and their IARs to designate assets as Client-designated non-billable assets in their taxable Ambassador accounts as a customer service accommodation, in order to maintain client choice and avoid the need to maintain a separate account to hold these securities or cash. You should understand that not being assessed a Fee introduces a conflict that the IAR's advice may be biased as a result of his or her not being compensated on this asset. Your IAR may recommend that you liquidate a non-billable asset in lieu of transferring the position to a brokerage account and use the proceeds to purchase an asset that is eligible for fee billing in your advisory account. While the advice must be appropriate for your advisory account, your IAR will generally receive more revenue from an asset that generates an ongoing revenue stream (compared to a brokerage account) or from an asset that is eligible for fee billing compared to one that is not. For questions about which assets are billable or non-billable, please consult with your IAR.

Non-billable assets are not included in the Account Value when calculating the applicable advisory fee. For example, a client whose Ambassador account holds \$750,000 of cash and securities that includes \$150,000 of non-billable assets will only have the Fee assessed based on the \$600,000 Account Value. For clients with multiple fee-based accounts, the Relationship Value is used to determine the applicable fee rate that is assessed. However, you should understand that any assets held as non-billable assets are not included in the Relationship Value. Please see the ["Aggregation of Related Fee-Based Account"](#) section for additional information on how we combine related accounts for fee billing purposes.

### Cash Sweep Program

The cash sweep program is a service that allows clients to earn interest on cash awaiting investment ("Cash Sweep Program"). We offer a deposit sweep called the Raymond James Bank Deposit Program ("RJBDP"), which includes certain variations described in greater detail below. In addition, we offer a cash feature called the Client Interest Program ("CIP") in which eligible accounts earn interest on cash awaiting investment. We refer to both RJBDP (including the variations described below) and CIP as "sweep options" throughout this Brochure. The Cash Sweep Program is offered at no additional charge or cost to you. Please refer to the ["Billing on Cash Balances Held in Ambassador Accounts"](#) section described below for information on how Fees are applied to cash balances held in certain wrap fee programs over extended periods of time. In addition, please refer to the ["Compensation Associated with Our Cash Sweep Program"](#) section for information about the compensation we or our affiliates receive and/or share with other parties.

Your IAR can provide you with additional information about Cash Sweep Program eligibility. Or you may refer to the cash sweep section of the "Important Client Information" Brochure, a current copy of which is available at <https://www.raymondjames.com/legal-disclosures> or from your IAR, or you may visit our public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>.

### Available Sweep Options by Account Type<sup>1</sup>

Cash Sweep Option	Description	Non-retirement <sup>2</sup>	Retirement Accounts Other than Brokerage IRA Accounts <sup>3</sup>	Brokerage IRA Accounts <sup>4</sup>
RJBDP	Uninvested cash in your custodial account through RJA is automatically deposited, or "swept," into interest-bearing deposit accounts at participating banks. Our affiliates, RJ Bank and TriState Capital Bank, are participating banks in RJBDP.	Yes	No	Yes
RJBDP with RJ Bank Only	Uninvested cash in your custodial account is swept into an interest-bearing deposit account with our affiliate, RJ Bank.	Yes	Yes	Yes
CIP	CIP is a short-term alternative for cash awaiting investment. Cash in CIP is solely the obligation of RJA, whereas the funds on deposit through RJBDP and RJBDP-RJ Bank Only are obligations solely of the participating banks.	Yes	No	No

<sup>1</sup>RJA and their affiliates, in their sole discretion, may modify or amend the Cash Sweep Program, including to change the sweep options available for any type of account. Such amendments and changes will be communicated in accordance with the section titled 'Amendments to the Cash Sweep Program' of the "Important Client Information" brochure. A current copy is available at <https://www.raymondjames.com/legal-disclosures>. Every RJBDP bank, including every Excess Bank may decide in its sole discretion that it will cease to accept any funds (or any further funds) under RJBDP. If no Excess Bank on your list is accepting excess funds, then any excess funds you have will not sweep and instead will be held at RJA subject to SIPC and excess SIPC coverage within applicable limits. RJA may, if permissible by law and if in compliance with eligibility criteria for CIP as established by RJA, treat those unswept funds as part of CIP, subject to all terms and conditions applicable to CIP. For more information, please refer to the cash sweep section of the "Important Client Information" Brochure. A current copy is available at <https://www.raymondjames.com/legal-disclosures> or from your financial advisor, or you may visit our public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>.

<sup>2</sup> Non-Retirement Accounts are all accounts not covered by the other two columns, and therefore include individual non-IRA accounts, joint accounts, and trust accounts.

<sup>3</sup> This column covers: (i) accounts subject to ERISA; (ii) SEP IRAs, SIMPLE IRAs, and SARSEPs; and (iii) any other IRA account that is advised or sub-advised by Raymond James.

<sup>4</sup> Brokerage IRA accounts mean, in this context, IRA accounts (other than SEP IRAs, SIMPLE IRAs, and SARSEPs) that are not advised or sub-advised by Raymond James.

## Current Interest Rates for CIP and RJBDP

Your interest rate is based on the total of the cash balance in RJBDP and CIP (collectively, "Relationship Cash Value"), as well as the Interest Rate Tier for which each of your accounts is eligible. Cash balances held in accounts that are subject to ERISA will be assigned the Interest Rate Tier applicable for such account, only taking into consideration the cash balance in that account. Raymond James can also establish additional or different Interest Rate Tiers for particular types of accounts. For current Interest Rate Tiers for CIP and RJBDP, refer to <https://www.raymondjames.com/client-resources/market-numbers/deposit-rates>. For information on the rate being paid on your particular account(s), please contact your IAR or consult your periodic account statements. In addition, Raymond James, in its sole discretion, may from time to time make special Interest Tier Rate offers ("Special Sweep Offers") with specific terms and conditions, including limited eligibility criteria that materially differ from Relationship Cash Value. Please refer to our website <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-deposit-program> to view any current Special Sweep Offers or contact your financial advisor for additional information.

The interest rate or yield on our Cash Sweep Program may be higher or lower than the yield or interest rate available in other sweep programs at other institutions. You should consider the impact of cash and cash equivalents on your overall portfolio and whether you could receive more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills.

## Billing on Cash Balances Held in Ambassador Accounts

If the cash sweep and foreign currency balances ("cash") (not non-sweep money market funds) in a given account exceeds 20% of the Account Value for two (2) consecutive quarter end valuation dates, the amount in excess of 20% is excluded from billing (the "Cash Rule"). The Cash Rule applies on an individual account basis. For example, an Ambassador account that held 30% of the Account Value in cash for the June and September quarter end billing valuation dates would have the amount in excess of 20% excluded from the Account Value upon which Fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 two (2) consecutive quarter end billing periods, with \$30,000 held in cash, the September 30<sup>th</sup> billing valuation date would exclude \$10,000 of the cash from the Account Value when assessing the Fee.

The exclusion of excess cash from the Fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time. The portion of the account held in cash experiences negative performance when the applicable Fee charged is higher than the return received on the cash sweep balance.

Your IAR may receive more compensation by not applying the Cash Rule at the household level and instead electing to do so at the account level. The Cash Rule may pose a financial disincentive to an IAR as the portion of cash sweep balances in excess of 20% is excluded from the Fee charged to the account. This may cause an IAR to recommend a reallocation of your account from cash to advisory fee eligible investments, including money market funds, or may recommend against raising cash, to avoid the application of the Cash Rule and therefore receive a Fee on the full account value. You may direct your IAR to raise cash by selling investments or hold a predetermined percentage of your account in cash at any time.

## Additional Bundled Service Cost Considerations

Your total cost for each of the services provided through our advisory programs, if purchased separately, could be more or less than the costs of each respective program. In addition, you may be able to obtain similar services for a lesser fee from other IARs within our Firm. The Fees charged vary among our advisory programs and our IARs. Cost factors may include your ability to:

- Obtain the services provided within the programs separately with respect to the selection of portfolio securities and other investments,
- Invest and rebalance the selected mutual funds without the payment of a commission or sales charge, and
- Obtain performance reporting comparable to that provided within each program.

Some clients favor an asset-based fee arrangement because the fee sets their brokerage cost at a predetermined level. Other

clients may favor a commission arrangement because they anticipate their accounts will have little trading activity. If you plan to follow a buy and hold strategy for the account or do not wish to receive ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. In a brokerage account, you are charged a commission for each transaction, and your registered representative has no duty to monitor your account or provide ongoing investment advice concerning the account or your investments. When assessing a wrap fee program's cost, you should consider the amount of trading activity you anticipate, each of the wrap fee programs offered by us, and factors such as commission rates, your investment experience and knowledge, and your availability to monitor and rebalance investments. We make no guarantees that the aggregate cost of a particular program is lower than that which may be available elsewhere. You should explore this subject thoroughly with your IAR to determine whether an advisory (asset-based fee) or brokerage (transaction-based fee) arrangement is appropriate for your needs.

## **Additional Expenses**

You may also incur charges for other account services, which we can provide at your election, not directly related to the advisory, execution, and clearing services provided by us and our affiliate, RJA. Our advisory fee does not cover the expenses, charges and costs listed below (not an all-inclusive list).

- Certain dealer-markups and odd lot differentials.
- Mark-ups, mark-downs, spreads, underwriting fees, selling concessions or other transaction charges associated with a principal transaction effected by us or our affiliate with respect to a transaction.
- Taxes (including unrelated business taxable income in retirement accounts and financial transaction taxes).
- IRA custodial fees.
- Safekeeping fees.
- Debit interest charges: If you incur a cash debit or deficit in your account, you will pay interest on the negative balance in your account, even if your account is not a margin account. The rate varies depending on the size of the average debit balance and you will be responsible for the debit interest accrued in the account. Please refer to your account opening documents for additional information.
- Charges/interest for maintenance of margin and/or short positions (specific to certain Ambassador accounts, if selected and approved for margin). Refer to the "[Buying Securities and other Investments on Margin and Margin Interest](#)" and "[Short Sales](#)" sections for more information.
- Fees for legal or courtesy transfers of securities and other investments.
- Exchange fees and regulatory transaction fees charged to you to offset fees we pay to exchanges and/or regulatory agencies on certain transactions (for example, the Regulatory Transaction (RT) fee is collected to recoup transaction fees paid by us to an exchange or self-regulatory organization in connection with the sale of certain securities and other investments).
- Offering concessions, and any other fees and expenses for purchases of public offerings of securities and certificates of deposit, as more fully disclosed in the prospectus and offering documents.
- Trade away commissions: In the OSM Platform, you pay an RJFSA platform fee and a separate OSM Manager fee. When an OSM Manager elects to trade away and there are brokerage commissions or other charges associated with the transaction, your overall program costs increase. Please refer to the OSM client agreement and OSM Form ADV or equivalent brochure and the "[Outside Manager \(OSM"\) Platform \(Dual Contract Platform\)](#)" section for more information.
- Fund and annuity operating costs and expenses and Fund distribution fees; for more information refer to the "[Investment Costs](#)" section below.
- Transfer fees.
- Return deposit items (check/ACH).
- Wire fees (outgoing).
- Fees and costs (such as conversion and foreign exchange fees, ongoing custody or service fees charged by American Depository Receipts ("ADR") depository banks for inventorying the underlying non-U.S. shares and performing related administrative services) are associated with the purchase of non-U.S. securities in ordinary form and conversion of these ordinary shares into ADRs. ADRs are the receipts for the shares of a non-U.S.-based company traded in U.S. markets. These transactions typically are reflected in the net price paid or received by the client.
- Any other charges imposed by law or otherwise agreed to by you with regard to transactions in your account.

For a list of account fees and service charges that may apply to your advisory account, please contact your IAR or visit our public website: <https://www.raymondjames.com/client-resources/client-account-fees-and-charges> (Client Account Fees and Charges). Additionally, you may call us by phone at 800-647-SERV (7378) for additional information or may submit your written request to Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716.

## **Investment Costs**

This section is specific to the investment costs related to investing in Funds, annuities, alternative investments, market-linked investments, and unit investment trusts. If you invest in mutual funds and/or ETFs or annuities as part of your portfolio in the Ambassador Program and/or OSM Platform described in this Brochure, you also pay your pro-rata share of the annual management fees and operating expenses charged by open-end, closed-end mutual funds and ETFs and annuity companies. These are the underlying fees related to investment products you purchase within your advisory account. These annual management fees and operating expenses are assessed by the fund or annuity sponsor directly and not by us, and generally results in clients which use an investment manager or investment strategy that invests in these investment products paying more than clients using one that invests in individual securities, and other investments without taking into effect negotiated asset-based fee discounts, if any. The cost structure

of ETFs and mutual funds (or UCITS and offshore funds, as applicable) can differ significantly depending on whether the fund is “actively managed” (meaning the fund that the program invests in also has a manager that is actively buying and selling a portfolio of securities) or “passively managed” (meaning the fund that the program invests in is tracking a broad market or custom-built index and invests in the component securities of the particular index rather than having a manager making ongoing investment decisions). Actively managed funds typically have higher fees, costs, and operating expenses than funds that are passively managed because actively managed funds need to also compensate the manager of that fund. A fund's cost/expense ratio and other information on fund costs can be found in each fund's prospectus. Please contact your financial advisor for more information regarding cost structure of actively and passively managed funds and/or funds that among your portfolio holdings through one of our managed programs or through your IAR Managed Ambassador program.

In addition, you pay sales charges, redemptions and other fees assessed by the Fund, annuity sponsor or alternative investment. Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors. Redemption fees assessed by an alternative investment manager can be as high as 5% of your investment. Certain mutual funds offered in these programs may impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the fund companies (and not us) to deter “market timers” who trade actively in mutual fund shares. If you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of our advisory programs. You may be able to purchase investment products directly from the product sponsor without incurring our advisory fee. In this case, you would not receive the services provided by our Firm which are designed, among other things, to assist you in determining which investment products are most appropriate to your financial condition and objectives. When purchasing directly from a Fund, annuity, or alternative investment sponsor, you may incur a front- or back-end sales charge.

Lastly, distribution fees charged by mutual fund companies (also known as trails or 12b-1 fees) pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the “Investment Company Act”) are included in the calculation of the mutual fund company's annual operating expenses, which are disclosed in the fund's prospectus. If received by us for positions held in advisory accounts, 12b-1 fees are credited bi-monthly to your account(s) as applicable. For additional information regarding 12b-1 fees, please see the [“Certain Fund Arrangements and Fund-Related Compensation”](#) and [“Conversion of Mutual Funds Share Classes and 12b-1 Fees”](#) subsections under [“Firm Compensation”](#).

Investment costs apply whether the investment product is sponsored or managed by an affiliated or unaffiliated company. When you invest in investment products managed by us, we or an affiliate will receive compensation for managing those investments and for other services provided based on the amount you invest. Please refer to the [“Affiliated Managers and Funds”](#) section for more information.

**These investment costs are, in addition to the Fee that you pay directly from your advisory account. They are paid indirectly by you, for example, as a shareholder in a mutual fund, through the product, and are not separately deducted from your advisory account. Investment costs instead reduce the value of your investment in the product and reduce the investment performance of your advisory account.**

For specific information on each mutual fund or ETF's expenses, please refer to its prospectus. For additional information regarding Fund investing, see <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

For annuities, depending on the product, and as more fully described in the annuity contract, you may pay an early withdrawal fee if you cancel during the surrender charge period. Costs and fees vary between insurance products. Please refer to the annuity contract for a detailed description of charges you will incur.

Market-Linked Investments, also commonly known as Structured Investments, are specialized bonds (Market-Linked Notes) or bank CDs (Market-Linked CDs). In advisory accounts, purchases of Market-Linked Investments are not charged any sales commissions; however, clients who purchase Market-Linked Investments will still pay offering costs associated with issuing, selling, structuring, and hedging the products. Such costs are paid to the issuer, included in the initial offering price, and disclosed in the offering documents.

In advisory accounts, purchases in Unit Investment Trusts (“UITs”): are not charged any initial or deferred sales charge; however, clients who purchase UITs will still pay any creation and development fees and any operational expenses incurred by the trust.

## Compensation

### Firm Compensation

We provide a wide variety of financial services to individuals, municipalities, corporations, and other business entities. We have business relationships with companies whose investment products, and investment advisory programs we make available to our IARs and their clients. As a result of our recommendation to you, and your participation in one of our Programs, the Firm receives compensation, outside of your advisory account Fee, from other parties, as described below. This section describes the ways in which the Firm may be compensated (and therefore conflicted) by other parties outside of your advisory account Fee and how we mitigate those conflicts.

The presence of compensation creates an incentive for us to recommend that you invest in Funds (or other investments) and

share classes that pay higher fees to us or our affiliates. It is possible that these compensation arrangements also cause us and our affiliates to forego opportunities to negotiate more favorable financial terms for client investments in Funds or to recapture all or a portion of the amount of these fund-related compensation for your benefit. We or our affiliates may effect transactions for a Fund offered through one of our advisory programs, and any compensation paid to us or our affiliates by the fund manager or any of their affiliates is additional compensation to us for services we and our affiliates provide to them.

Our Firm, in managing advisory accounts, has a financial incentive to favor investments that pay us education and marketing support fees ("E&M support fees"), networking and/or omnibus and other administrative and/or service-related fees further described above over investments that do not. We also have an incentive to select those investments that pay higher amounts of compensation to us for E&M support fees, networking and/or omnibus and other administrative and service-related fees over those investments that pay lower amounts of compensation to the Firm. We also receive non-E&M support fees which are further described in the "Other Compensation" section below.

We address the conflicts of interest associated with the payment of compensation in the following ways. In this section, we disclose compensation we receive from product sponsors and other service providers. We have adopted various policies and procedures reasonably designed to prevent the receipt of compensation from third parties from affecting the nature of the advice we and our IARs provide as described throughout this Brochure.

### **Receipt of Sponsorship Fee Compensation from Product Sponsors or Service Providers**

From time to time, the Firm and/or our affiliates receives additional compensation (e.g. renumeration, financial support, payments, etc. as further described below) from product sponsors and service providers in the form of sponsorship fees for seminars, meetings, or conferences. These sponsors include affiliated and unaffiliated investment advisers, alternative investment limited partnerships, affiliated and unaffiliated investment companies, trust sponsors, insurance companies and annuity sponsors. Our receipt of these sponsorship fees is for the purpose of defraying costs associated with coordinating and hosting the sponsored event. These sponsorship fees generally entitle the sponsor an opportunity to conduct a presentation of the sponsor's products or services, among other things, to representatives of our Firm and our affiliates. Due to the large number of product sponsors and service providers whose products and services are offered by us, it is important to understand that not all product sponsors and service providers can participate in a given meeting or event or will be available or choose to participate in any event for an extended period of time. As a result, only those product sponsors and service providers that participate in these events gain the opportunity to interact with our representatives, and it is anticipated that these interactions will result in additional sales of those products or services. Accordingly, a conflict of interest may exist where we offer presentation opportunities to those product sponsors and service providers willing to contribute sponsorship fees more frequently or in greater amounts than other product sponsors or service providers. Consideration of product sponsors or service providers for participation in one of our events is also based on the quality of the product sponsor or service provider and is not solely based on the anticipated sponsorship fees our Firm will receive.

Clients or potential investors that attend a training or educational meeting offered by their IAR where a product sponsor or service provider is in attendance should assume that the product sponsor or service provider has paid or reimbursed us or our affiliates for all or part of the total cost of the meeting or event, including travel costs.

### **Education & Marketing ("E&M") Program Fees**

Through the E&M Program, we, or our affiliates, receive compensation from certain product sponsors who offer securities and other investment/products to affiliated and unaffiliated investment advisers. These payments are intended to compensate us and/or our affiliates for a variety of education, training, marketing and other sales and support services.

In particular, our Firm and/or our affiliates receive a minimum E&M support fee up to \$250,000 from our product sponsors (for e.g., mutual fund, ETF, and annuity companies) to participate in the E&M Program. Our Firm and/or our affiliates also receive annual fees of up to \$25,000 for providing education, training, marketing, and sales support services for our IARs that provide or seek to provide services to employer-sponsored programs.

The structure of payments to participate in the E&M program generally varies among product sponsors – a percentage of assets under management, a flat dollar fee, or some combination thereof. However, the potential level of marketing support fees (also known as revenue sharing fees) that we receive from a particular product sponsor will generally not exceed 0.30% per year on assets held through us, subject to any applicable minimums. These payments are generally not disclosed in detail in a particular product's prospectus or statement of additional information ("SAI").

The actual amounts that we and/or our affiliates receive vary from one product sponsor to another depending on the level of support and types of services provided by our Firm. We do not collect E&M support fees on ERISA plan assets and certain fee-based retirement accounts.

More information about the E&M marketing support fees paid to us and/or our affiliates by our product sponsors including but not limited to mutual fund, ETF, annuity, insurance, market-linked investment, and trust sponsors, as well as a list of those companies that have agreed to participate in our E&M program is available on our public website at <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>. You may also receive a hardcopy of this list by contacting your IAR, by contacting AMS by phone at (800) 248-8863, extension 74991, or by sending a written request to: AMS, Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

## **Compensation Associated with Offering Certain Services to Related Funds**

We make available a variety of mutual funds advised or offered by our affiliate, Carillon Tower Advisers, Inc. ("CTA") doing business as Raymond James Investment Management which includes all mutual funds under the Raymond James Investment Management umbrella. In addition to the fees described in the "[Service, Fees and Compensation](#)" and "[Intercompany Payments Between Affiliates](#)" sections, we and/or our affiliates receive additional revenue in connection with the sale of Raymond James Investment Management mutual funds for providing these affiliated mutual funds with investment advisory, administrative, transfer agency, distribution and/or other services that we may not provide to unaffiliated mutual funds. Payments to our Firm and/or our affiliates made by mutual funds advised or offered by Raymond James Investment Management may be terminated, modified, or suspended at any time. We benefit from increased sales of related funds and other investment products of related funds and managers as compared to increased sales of funds and other investment products of other unaffiliated firms. We address these conflicts by disclosing them in this brochure and monitoring the provision of advice by our IARs to ensure that the provision of advice is appropriate based on your stated investment objectives and risk tolerance. Our IARs and branch managers do not receive additional compensation or other cash or non-cash incentives for recommending mutual funds (or any particular class thereof) advised by Raymond James Investment Management.

## **Compensation Associated with FT-ETF Sub-Advisory Services**

RJA, RJFSA's affiliated investment advisor, as the sub-advisor to the FT-ETF, ticker symbol RJMG, will annually earn 30 basis points of the total annual management fee collected by First Trust. The sub-advisor fee earned by RJA for its model portfolio services to the FT-ETF is separate from and in addition to the Fee charged by RJFSA and your financial advisor for services provided in advisory accounts eligible to hold the FT-ETF. For example, if a FT-ETF was purchased in your Ambassador account, you would be subject to the agreed upon advisory fee for your financial advisor's ongoing advice and services with regard to the billable assets in the Ambassador account and separately for any internal expenses related to the FT-ETF as described in the fund's prospectus, which includes compensation paid to RJA for providing the model portfolio to First Trust. As a result, RJA, our affiliate, will earn additional revenue when a FT-ETF is purchased within an Ambassador account as opposed to a non-affiliated ETF. Please see the "[ETF Sub-Advisory Services](#)" section in this brochure for more information about the FT-ETF and related conflicts of interest.

## **Certain Fund Arrangements and Fund-Related Compensation**

Only shares of those mutual fund companies with which our firm has a selling agreement are available for purchase from us. Further, the mutual funds available for purchase generally includes, those fund companies that provide us and/or our affiliates with compensation, including but not limited to E&M Support (described above), Networking, and/or Omnibus fees (including Sub-Accounting, Sub-Transfer Agency, and Administrative Fees)(described below), and a few fund companies that do not pay such compensation but that we choose to offer to clients on our platforms (see link below under Networking and Omnibus Fees for a list of those mutual fund companies). Not all mutual funds available to the investing public will be available for investment with us, and you should not assume that share classes with the lowest expense ratio are available.

Eligibility for various share classes offered by mutual funds to be used as part of our wrap fee programs, as described under the "[Services, Fees and Compensation – Overview of Our Advisory Programs](#)" section, is determined by the mutual fund and disclosed in the fund's prospectus. With respect to those funds that pay us and/or our affiliates compensation, we evaluate each share class for which the relevant advisory program is eligible and aim to select the lowest cost available share class that includes a fee which compensates us for sub-accounting, recordkeeping, and related services (also known as "Sub-TA Fees") at the individual account level. This means that we may not select the lowest cost share class for which the program is eligible (because there may be a less costly share class that does not charge Sub-TA Fees). Moreover, while we seek to avoid using share classes that charge 12b-1 fees as part of our advisory programs, if the share class is the only means by which we and/or an affiliate can collect Sub-TA Fees from the fund (or if a non-12b-1 paying share class is not available to us due to contractual reasons or otherwise), we will use that share class and credit the 12b-1 fee to your account(s). Rule 12b-1 fees are credited to client accounts bi-monthly, as applicable. Use of a more costly share class reduces the performance of your account. Your IAR does not have an incentive to recommend or select share classes that have higher expense ratios because his or her compensation is not affected by the share class selected.

We also select a 12b-1 share class instead of a non 12b-1 share class if necessary to be eligible to collect E&M Support payments from mutual fund advisers and affiliates. E&M Support payments are not paid out of fund assets and do not affect your investment performance. These 12b-1 fees, too, are rebated to your account(s). For additional information regarding 12b-1 fees, please see the "[Conversion of Mutual Fund Share Classes and 12b-1 Fees](#)". When evaluating the reasonability of the Firm's compensation, you should factor in all types of compensation received by us and/or our affiliates for the sale of mutual fund shares in which you invest.

Similar to mutual funds, not all money market funds available to the investing public are available for investment through us, and we only make available money market funds that provide us and/or our affiliates with compensation for sub-accounting, recordkeeping, and related services at the individual account level. Certain money market funds may be approved as an investment option but are designated as non-billable assets as long as these funds are held in a fee-based account (during the time period that the positions is not fee eligible). Neither we nor your IAR receive fee-based compensation on these funds but may receive compensation in the form of a 12(b)-1 fee, above-referenced service fees, or trail from the fund company, which are rebated to client accounts.

Shareholders considering transferring mutual fund shares to or from us should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, the shareholder must either redeem the

shares (paying any applicable contingent deferred sales charge ("CDSC") and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. You should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating a transfer.

If an account is transferred in with mutual funds (and it is subject to redemption fees assessed by the product sponsor), it could be liquidated by your IAR and re-invested into the selected program. In AMS Managed programs the discretionary manager may require a share class other than what was used to fund the account. When necessary, under the authority provided to us under your advisory agreement(s) which may include the Master Advisory Agreement, we may effect an exchange to another class of shares of the same investment company fund. In Ambassador, you may choose to select a mutual fund that is assessed a short-term redemption fee. For additional information on fees and mutual fund operating costs, short term trading redemption fees, etc., please refer to the "[Investment Costs](#)" section.

### **Networking and Omnibus Fees (Sub-Accounting, Sub-Transfer Agency and Administrative Fees)**

We receive compensation from certain mutual fund companies for administrative, accounting, recordkeeping, sub-transfer agency or other services we and/or our affiliates provide. These payments for networking and omnibus services generally take the form of per account charges, a percentage of assets under management, or flat dollar payments. The total amount of these payments may be up to 0.25% of total assets under management. We do not receive fees on ERISA plan assets and certain fee-based retirement accounts. For additional information, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

For a list of fund companies that:

- have agreed to pay us and/or our affiliates networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service-partners>.
- do not pay us and/or our affiliates networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/non-networking-and-service-partners>.

You may also receive a hardcopy of this list by contacting your IAR, by contacting AMS by phone at (800) 248-8863, extension 74991 or by sending in your written request to: AMS, Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

### **Shareholder Servicing Fees**

Certain mutual fund companies also pay us and/or our affiliates fees to provide shareholder liaison services to investors. These fees are classified as shareholder servicing fees and generally include responding to investor inquiries and providing information on mutual fund investments. Our Firm and/or our affiliates receive these shareholder services fees from certain mutual funds in amounts up to 0.25% annually of the assets invested in a particular mutual fund.

### **Conversion of Mutual Fund Share Classes and 12b-1 Fees**

An investment company may authorize us to make available to clients participating in one of our advisory programs a class of shares of a fund with a lower fee structure that we believe is more beneficial to you than the class of shares previously made available in the advisory program. Where an exchange is available, under the authority provided to us under your advisory agreement(s) which may include the Master Advisory Agreement, we may effect an exchange to another class of shares of the same investment company fund with the lower fee structure as promptly as practicable and taking into account the administrative and operational requirements necessary to implement the exchanges.

We periodically exchange existing advisory fee-eligible mutual fund positions in existing Ambassador Program accounts to a specific mutual fund share class ("Firm selected share class") in an effort to provide advisory clients with the lowest cost share class available through us. This conversion does not apply to non-wrap eligible, non-billable positions such as C shares or other back-end load shares that may be held in your Ambassador account and which are not eligible for advisory fee billing. We perform ongoing monthly maintenance conversions to ensure the firm selected share class has been implemented in your account. These share class conversions are non-taxable events, and your cost basis carries over to the new firm selected share class. Raymond James retains the 12b-1 fees received from non-wrap eligible, non-billable mutual funds that are not eligible for advisory fee billing. Fees associated with the Firm-selected share class may be greater than or less than the fees of your existing advisory fee-eligible mutual fund position. You should take into consideration fee expenses when transferring mutual funds to us or maintaining mutual fund positions within your advisory account(s).

On a periodic basis, we convert class C shares that have been held for at least one year or are otherwise no longer subject to the fund company's CDSC, which is typically 1% of the amount invested, to the Firm selected share class. The one year holding period is the required minimum holding period typically established by fund companies before the shares become eligible for conversion to another share class without being subject to the CDSC. However, certain funds may require that investors hold the class C shares longer than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts automatically convert, on a tax-free basis, to the share class recommended by us on a quarterly basis. For example, a client that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to his or her Ambassador account is not assessed an advisory fee for 6 months. The shares are subsequently converted by us to the Firm-selected share class the quarter after they are CDSC-free and once converted are subject to advisory fees

during the next quarterly billing cycle. Also, upon conversion of the C share to the Firm-selected share class, the 12b-1 fees (if any) are credited to you on a bi-monthly basis.

Investments held in Ambassador accounts may be comprised of mutual fund shares only (both load-waived and no-load funds), individual equity and fixed income securities and other investments, or a combination of mutual fund shares and individual securities and other investments. With respect to load funds, only the Firm-selected share class of these funds, for which the sales charge has been waived, may be purchased and charged an advisory Fee in these Programs. Clients may hold fund shares in an Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at our Firm. However, we designate these shares as non-billable assets for two years from their original purchase date and generally do not charge an advisory Fee on these assets during this period. Additionally, we credit 12b-1 fees received by us (if any) to your account on a bi-monthly basis. This two year exclusion period (or "Two Year Rule") has been implemented by us to avoid clients being assessed both a load or commission and an advisory Fee on the same asset, but only applies to those above mentioned securities and other investments that were purchased through us. For questions about which assets are billable or non-billable, please consult with your IAR.

If you purchased a share class designated as non-billable (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year (from the trade date where commissions were incurred) and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided you held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less or the commission did not exceed \$50. The Two Year Rule may create a financial incentive for your IAR to recommend you exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they are allowed to be exchanged for A shares, where the load associated with C shares is typically 1%. The Two Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%. Please refer to the "[Non-Billable Assets](#)" section for more information.

## **Certain Alternative Investment Arrangements and Compensation**

It is important for you to work with your IAR to evaluate how a particular alternative investment and its features fit your individual needs and objectives. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments. An important component of this selection process includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help you make an informed choice.

While each investment differs in terms of both total fees and expenses and how those fees and expenses are calculated, the following section discusses the primary categories of fees and expenses that are common to many alternative investments and the different ways that we, our affiliates and your IAR may be compensated. **You should look to the specific offering document of the alternative investment vehicle for a full description of any applicable investment-related fees and expenses.**

### **Management Fees**

The manager for any particular investment often charges a management fee that is based on the total value of your investment. As the value of your investment increases or decreases, the total management fees that an investment manager receives may increase or decrease accordingly. Our Firm, our affiliates and/or your IAR may share in a portion of management fees to which an investment manager is entitled.

### **Incentive-based compensation**

Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for clients. Fees related to incentive compensation are often referred to as incentive or performance-based fees or carried interest. The exact calculation of incentive fees or carried interest differs by product and manager. Our Firm and our affiliates may share in any incentive-based compensation to which an investment manager is entitled, which can be up to 100% of the incentive fee collected by an investment manager.

### **Upfront or Ongoing Distribution and Servicing Fees or Placement Fees**

Many alternative investments have upfront costs directly related to compensating your IAR, our affiliates and/or our Firm, generally based on the total amount of your investment, up to 5.5%. Ongoing distribution and servicing fees can be as high as an annualized rate of 4% of the value of your investment.

### **Redemption Fees**

Some investments have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors. Redemption fees assessed by a manager can be as high as 5% of your investment.

### **Other Expenses**

Alternative investment strategies may be accessed through a variety of legal structures, including pooled investment funds, limited partnerships, and limited liability companies. In certain structures, particularly for new offerings, investors may incur organization and offering expenses that are related to the creation of the legal structure and marketing of the product. These costs ultimately decrease the amount of your capital that is available to invest. Additionally, investors may incur other expenses based on the investment activity of the fund. For instance, in a real estate fund, investors may be charged fees related to the

acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Lastly, investors in alternative investments generally bear the cost of certain ongoing expenses related to administration of the product. These expenses may include costs related to tax document preparation, auditing services, or custodial services.

Please refer to the offering documents and/or prospectus for fees and other expenses you may incur relating to your investment. Your IAR will answer any questions regarding the total fees and expenses and the initial and ongoing compensation that your IAR, our firm and/or our affiliates may receive.

### **Options for Assets Invested in Employer-Sponsored Retirement Plan Accounts**

If you have an employer-sponsored retirement plan assets, you may have several choices as to what to do with your assets when you retire or change jobs. Providing education to you on the rollover of employer-sponsored retirement plan assets could include discussion of the following general educational topics:

1. General options that may be available to you (e.g., remaining in the employer-sponsored retirement plan if the plan permits, rolling to a new employer-sponsored retirement plan if one is available, rolling to an IRA, or taking out a cash distribution).
2. General information about the significant features of each option
3. Factors you may want to consider in assessing those options

Our Firm and your IAR have a financial incentive for you to rollover your assets into an IRA because of the compensation we receive when you transfer funds from an employer-sponsored retirement plan or from another IRA. If you decide to open a brokerage or advisory account, we will be paid on those assets, through commissions or advisory fees. You should be aware that any commissions or advisory fees charged likely will be higher than those fees you paid through your employer-sponsored retirement plan, and there can be additional expenses associated with the account. Please refer to the "[Additional Expenses](#)" section for more information.

### **Compensation Associated with Our Cash Sweep Program**

Fees paid to RJA by the banks in RJBDP provide RJA a material source of revenue. This revenue is important to the ability of RJA to finance its business activities and has a benefit to the potential profitability of RJA. In addition to the fees received by RJA from the banks, cash balances in the Cash Sweep Program provide a relatively low-cost source of funds to (1) RJA, as to the cash balances in CIP and (2) RJ Bank and TriState Capital Bank, as to RJBDP cash balances deposited with those entities. This has a benefit to the potential profitability of each of those entities. Both the revenue and the other benefits to RJA and its affiliates increase when more client funds are held in the Cash Sweep Program. Firm compensation and other benefits we and our affiliates receive are described in more detail below, by program:

- RJBDP Sweep Option:
  - Participating Banks (excluding RJ Bank and TriState Capital Bank): Each participating bank, except RJ Bank and TriState Capital Bank, will pay us and/or our affiliates a fee equal to a percentage of the average daily deposit balance in your account at the bank. The aggregate fee from all banks will not exceed an annual rate equal to the Federal Funds Target Rate, upper limit, plus 75 basis points (0.75%) of all balances in deposit accounts at all nonaffiliated banks in RJBDP. The fees we receive vary by bank and by interest rate tier, and those fees will reduce the interest rate paid by a bank on your deposit accounts.
  - RJ Bank and TriState Capital Bank: RJ Bank and TriState Capital Bank will pay us and/or our affiliates an annual administrative fee of up to \$100 per account. RJ Bank and TriState Capital Bank benefit by receiving deposits through RJBDP on which it pays an interest rate that may be less than the cost of other alternative funding sources available to it. Deposits in deposit accounts at RJ Bank and TriState Capital Bank provide a stable source of deposits for RJ Bank and TriState Capital Bank, which they may use to fund new lending and investment activity, as permitted by applicable law. As with other depository institutions, the profitability of RJ Bank and TriState Capital Bank are determined in large part by the difference between the interest paid and other costs associated with deposits, and the interest or other income earned on its loans, investments, and other assets. RJA pays service fees to unaffiliated service providers involved in the RJBDP program out of the fees that RJA receives from the banks.
- CIP Sweep Option: After paying interest to clients on their cash in CIP, we and/or our affiliates retain any additional benefit or remuneration related to client cash in CIP. Specifically, for the portion of CIP cash required to be placed in overnight repurchase agreements or deposited in qualifying trust or cash accounts with major U.S. banks, we and/or our affiliates retain any remuneration received from those sources. We and/or our affiliates also retain any remuneration or other benefit received as a result of any CIP cash balances not placed in such investments.

### **Compensation/Benefits Shared with Others**

*Sharing with your IAR:* In investment advisory accounts, Raymond James does not share with your IAR any of the revenues it receives as a result of customer cash in one or more of the sweep options. In non-advisory accounts (e.g., brokerage accounts), Raymond James generally does not share with your IAR any of the revenues it receives as a result of customer cash in one or more of the sweep options. However, when we make exception rate or other exception offers to you, you should expect that Raymond James will share

with your IAR a portion of the revenues it receives on some or all of the cash that is subject to the exception offer in a non-advisory account. This creates an incentive for your IAR to recommend that you accept such exception offer and continue to hold cash in the Cash Sweep Program subject to the exception offer.

**Sharing with third parties:** We or our affiliates may share a portion of the revenues we receive from the Cash Sweep Program with third parties, including but not limited to an introducing broker-dealer or introducing investment adviser. Whether and on what terms any such sharing would occur would be established by contractual agreement between our Firm or our affiliate and the third party. The interest rate that you receive on your cash in the Cash Sweep Program is not impacted by any revenue shared with a third party.

## **Intercompany Payments Between Affiliates**

Our Firm and our affiliates make certain intercompany payments to compensate each other for performing various administrative and research services. In connection with our mutual fund sales, we or our affiliates receive compensation from Raymond James Investment Management for providing services unrelated to sales of the Carillon Family of Mutual Funds, including (but not limited to) consulting services, marketing services, sponsorship fees, support services and transfer credits for trade execution services. Intercompany payments received or paid by us or our affiliates may be terminated, modified, or suspended at any time.

## **Buying Securities and other Investments on Margin and Margin Interest**

Margin involves borrowing money from our Firm to buy securities and other investments. If you use margin (subject to Firm approval based on your stated investment objectives) to buy securities and other investments in your margin account, you will pay interest on the debit balances in your account. The rate varies depending on the size of the average debit balance. In addition, if your account is approved for margin, we can create margin debt in your account as needed to pay monies owed by you, including the Fee and you will be responsible for the interest on any such margin debt.

Margin interest generates additional revenue to us and our affiliates. Your IAR, our Firm and/or our affiliates have a financial incentive to recommend its use. When margin is used to buy securities and other investments, the costs you incur and the compensation received by your IAR, our Firm and/or our affiliates, generally increases as the size of the outstanding margin balance increases. Further, you pay more in Fees as the gross value of the account increases. There is no incentive for your IAR, our Firm, and/or our affiliates to recommend the liquidation of any asset to pay down a margin debit.

Margin borrowing involves additional risks. Margin borrowing results in increased gains if the value of the securities and other investments in the account go up, but increased losses if the value of the securities and other investments in the account goes down. We have the authority to issue a margin call and/or sell securities in the account, in order to maintain the required equity in the account or liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to you. Upon approval, where applicable, you receive a Truth In Lending Statement from us disclosing the risks, including an explanation of the details and conditions under which interest is charged, the method of computing interest, and the conditions under which additional collateral may be required.

The use of margin will impact your billing as well if the margin debt is created by a purchase of securities. For example, let's assume your account has a long market value of \$100,000 and a debit (margin) balance of \$20,000. The Account Value for billing would be \$100,000, even though the account statement would show a value of \$80,000.

Amount	Position	Account Value
\$100,000	<b>Long position</b>	Included as \$100,000 for billing
(\$20,000)	<b>Debit margin balance as shown on account statement</b>	\$20,000 not included in Account Value for billing purposes
<b>\$100,000</b>	<b>Absolute Market Value</b>	

If you sell a security short (sell a security you do not own) while you have an existing debit (margin) balance in your account, the cash generated from the short sale will decrease your debit balance only if you sold an option short. If you sold an equity security short, the cash generated will not decrease your existing debit (margin) balance. We treat that cash as "restricted" because we will use it to buy the securities sold short and deliver them to the buyer. Please also refer to the "Treatment of Short Sale Transactions (Short Equities and Options) and Associated Cash Balances" section for additional information.

## **Short Sales**

We and/or our affiliates earn fees on the short position in your account, which are in addition to the Fee. We and/or our affiliates earn fees when the following occurs:

- When you borrow a security that RJA can lend from its own inventory or its customers' securities holdings, you pay a fee to us and/or our affiliates.
- When RJA is unable to lend you securities, RJA may borrow the securities from another firm and split the fee you pay with that firm.

For more information on interest/charges you incur associated with margin balances and/or shorts sales, please visit our public website: <https://www.raymondjames.com/client-resources/market-numbers/lending-rates>. You may also contact your IAR, call us at 800-647-SERV (7378) for additional information, or submit your written request to: Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716.

## Other Compensation

Our Firm and/or our affiliates receive other compensation associated with the sale of certain products as listed below. This information is also included as part of your Welcome Kit, which is provided to you upon account opening and updated periodically. These compensation arrangements are further described in the "Important Client Information" document located at <https://www.raymondjames.com/legal-disclosures> or on our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>. Instances in which RJFSA and/or our affiliates receive other compensation may include, but are not limited to:

- Payment for Order Flow: For more information regarding RJA's order routing practices, please visit our public website: <https://www.raymondjames.com/legal-disclosures/sec-order-execution-routing-disclosures/rja-order-routing-summary>.
- Sale of market-linked certificates of deposit and market-linked notes: Specific fees related to the offering are fully disclosed in the final pricing supplement. For more information, please visit our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.
- Derivative transactions through RJ Capital Services, Inc.
- Sale of First Trust ETF, refer to the product prospectus for compensation information.
- Sale of equity-linked notes: Specific fees related to the offering are disclosed in the offering documents. For more information, please visit our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.
- Licensing fees from UIT sponsors. For more information, please visit our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/unit-investment-trusts-at-raymond-james>.

## Other Administrative and/or Service-Related Fees

Outside of our E&M Program, we receive compensation from other product sponsors and service providers who offer securities and other investments or services to both affiliated and unaffiliated investment advisers. These payments are intended to compensate us and/or our affiliates for a variety of administrative and/or distribution related services and support.

The structure of payments varies among product sponsors and service providers. These payments are generally not disclosed in detail in a particular sponsor's product prospectus where applicable. More information about the other administrative and/or service related fees paid to us and/or our affiliates by our product sponsors and service providers including but not limited to mutual fund, ETF, annuity, insurance, alternative investment, market-linked investment, and trust sponsors, is available on our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

## IAR Compensation

As discussed above under the "[Advisory Fees](#)" section, a portion of the Fee you pay under each wrap fee Program or Dual Contract Platform described is paid to the Firm and to your IAR as compensation for the services by each. Your IAR may share portions of his or her compensation with other IARs with whom he or she has made certain arrangements. As described more fully below, depending on your IAR's annual revenue generation with the Firm, your IAR can receive a higher portion of the Fee (therefore, the Firm retains less of the Fee paid). As a result, your IAR may be incentivized to increase his or her annual revenue generation with the Firm by recommending products/services of the Firm to obtain higher payout percentages. In addition, one IAR's compensation may be higher or lower than another IAR's based on his or her individual gross revenue. In such cases, the overall Fee paid by you would remain the same pursuant to your investment management agreement, which may include the Master Advisory Agreement, but the portion paid out to the IAR would be higher than with other IARs. If your IAR is affiliated with a financial institution, he or she may be compensated directly through the financial institution. Please refer to the "[Client Referrals and Other Compensation](#)" section for more information.

Although maximum fee rates vary across the different programs and platform, when maximum fee rates are applied, your IAR receives the same fee rate regardless of the wrap fee program you select, inclusive of our Dual Contract Platform. However, the programs recommended to you by your financial advisor can impact his or her ultimate compensation if you are paying less than the maximum fee rates, in that certain programs may allow for a higher payout at the discounted rate than other programs. See the "[Advisory Fees](#)" section for more information.

As a result of a recommendation to you, and your participation in one of our Programs, or Dual Contract Platform, or services, your IAR receives compensation from our Firm or other parties as described below. You should be aware of the following about your IAR's compensation as an IAR, and in some cases, as a registered representative of RJFSA, the conflicts of interest created by the IAR's compensation and how we mitigate those conflicts of interest.

Your IAR's compensation may be more than what your IAR would receive if you paid separately for investment advice, brokerage, and other transaction-based services. Your IAR may have a financial incentive to recommend a wrap fee program, Dual Contract Platform, or services rather than recommending an alternative product, program, or service, if comparable or if available separately to clients. The reverse may also be true. Products or services that result in lower advisor compensation may provide a disincentive to an IAR to recommend a wrap fee program, Dual Contract Platform, or service over an alternative product, program, or service available to you through us. You should be aware of these arrangements and should consult your IAR for additional details regarding their compensation levels in fee-based accounts.

We have a fiduciary duty to act in your best interest. To ensure your IAR is providing appropriate investment advice, we monitor the appropriateness of existing advisory accounts on an ongoing basis by conducting various reviews, such as concentration levels and household account transaction activity. Your IAR will also meet with you at least annually to review your investment objectives, risk tolerance, and financial situation. We also encourage you to discuss all available investment options with your IAR.

Your IAR may also receive the following financial incentives:

*Participation in recognition councils:* At the conclusion of each year, qualifying IARs are awarded membership in our recognition councils. Qualification for recognition councils is based upon a combination of the IAR's annual production (including both advisory and brokerage clients). Participation in these recognition councils represents a conflict of interest since the qualification criteria is based, in part, on the annual gross production of the IAR, and as a result, the IAR is incentivized to increase his or her gross production (that is, increase commissions and advisory fees) to obtain the required recognition council level. Recognition council members will receive invitations to trips, conferences, and may also receive incentive compensation in the form of restricted stock units. You should be aware of these arrangements and consult your IAR for additional details.

*Financial incentives for initial/ongoing affiliation with us:* In addition to compensation, we provide IARs with access to financial incentives for affiliating with our Firm. These arrangements include, but are not limited to, transition assistance, production awards, enhanced pay-outs, repayable business transition or working capital loans, and administrative fee reimbursements. Your IAR may also receive compensation related to attendance at our conferences, events, as well as reward trips, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your IAR is incentivized to recommend that you open and maintain accounts for advisory and/or brokerage services. These incentives may influence your IAR's advice that you transition your account(s) to the Firm.

*Other Forms of Non-Cash Compensation:* Our IARs may receive promotional items, meals and entertainment, or other non-cash compensation from product sponsors or service providers. Consistent with applicable laws and regulations, these product sponsors or service providers may pay for or provide training and educational programs for our IARs and their existing and prospective clients. Product sponsors or service providers may also pay us, directly or indirectly, to offset expenses incurred for due diligence meetings, conferences, client relationship building events, occasional recreational activities, and other events or activities that are intended to result in the promotion of their investment products or services. Non-cash compensation can vary by vendor and event. The receipt of cash and non-cash compensation from product sponsors or service providers may create an incentive for IARs to recommend certain investment products or services over others. Other compensation may include:

- Occasional gifts up to \$100 per vendor per year
- Occasional meals, tickets, or other entertainment of reasonable and customary value
- Sponsorship support of educational or training events (which include educational events IARs may arrange for clients and prospects)
- Seminars and/or payment of expenses related to training and education of employees
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by us for training or record-keeping purposes.

Your IAR may not offer you all of the Programs, Dual Contract Platform, or services available from us for which you may be eligible to participate. As a result, your investment options and the level of investment diversification you achieve may be limited.

#### Practice Capital Solutions for IARs

In certain cases, our Firm, or one of our affiliates (or a combination) may make an equity investment in an IAR's practice, which may be directly with the IAR or through an investment in the corporate entity owned by the IAR that supports their practice. Although the details of such an investment will vary case by case, they will generally involve Raymond James receiving a larger percentage of the IAR's gross earnings over a multi-year period than would have been the case without the investment, in exchange for the following:

- The IAR will receive an upfront payment when the investment is made. The amount of the upfront payment will vary case by case and will be determined by negotiation. Generally, it will be based on factors such as the size, risk, and profitability of the IAR's practice and the ownership percentage and rights that Raymond James acquires.
- In many instances, the IAR will also be eligible to receive significant additional compensation if the total revenue generated by the IAR or their office increases, year upon year while the investment remains in place, by an amount that exceeds certain compound annual growth rate targets that will be defined by the agreements between the IAR and Raymond James. Those agreements may specify more than one growth target, so that the IAR may earn significant compensation by reaching a lower target, and further significant compensation by reaching a higher target.

These compensation practices create additional incentives for your IAR and their office to recommend that you bring assets to Raymond James and engage in activities that will generate revenue for Raymond James to meet the growth rate target(s). If an IAR is a party to such an arrangement with Raymond James, then that will be disclosed in the IAR's Form ADV Part 2B. You may obtain a copy of your IAR's Form ADV Part 2B free of charge by calling or emailing Client Services or asking your IAR for a copy.

## **Firm Expenses Charged to your IAR**

Branch offices may be assessed certain administrative and program fees to help defray costs associated with providing Program-related services to RJFSA and your IAR. These fees charged as expenses to the branch office vary depending on the subsidiary affiliation of the branch office and branch office's payout structure. When these expenses are assessed to the branch office, the expense may or may not be passed on to your IAR by the branch office owner. While these expenses are not charged to you, they serve to increase the compensation expense paid to Raymond James and may be charged on a sliding scale, or flat schedule, based on the aggregate market value of that client's fee-based accounts. In the event of a sliding scale, expenses assessed to the branch office have built-in breakpoints to reduce expenses as the assets in your advisory account(s) rise. Therefore, your IAR, if assessed the expense, could pay a lower expense when your account assets under management exceed one or more breakpoints.

You should be aware that IARs pay various expenses associated with providing these Programs to you. You should also understand that expenses to your IAR may be a factor that your IAR considers when deciding which advisory Program to recommend. IARs could be incentivized to place a client in one program versus another, because the expenses incurred by the IAR will ultimately impact the cost of providing the services and his or her overall net compensation, which represents a conflict of interest. To address this conflict of interest, we have supervisory systems in place to monitor your IAR's recommendations.

## **Item 5 – Account Requirements and Types of Clients**

### **Types of Clients**

We provide advisory account Programs, a dual contract platform and advisory services to a broad range of current and prospective clients, including individuals, IRAs, banks and thrift institutions, trusts, estates, charitable organizations, state and municipal government entities, pension, and profit-sharing plans, including plans subject to ERISA, investment advisers, corporations, and other business entities. Please note that if providing advisory services to an ERISA retirement plan in an AMS program, RJA and your financial advisor are not acting as a the "Named Fiduciary" as defined under section 402 of the Employee Retirement Income Security Act of 1974 as amended ("ERISA"). In addition, AMS is not the third-party administrator or recordkeeper as defined by ERISA for any ERISA accounts in AMS programs.

Applicable requirements for opening or maintaining an account with us are discussed in this section. Account minimums for each Program and Dual Contract Platform are disclosed in the "[Overview of our Advisory Programs](#)" chart under Item 4, above.

### **Opening an Account: Account Funding and Documentation Requirements**

For those advisory services described in this Brochure, you will execute a program agreement(s) for the selected program(s), and/or you will execute a Master Advisory Agreement (collectively, "advisory agreement"), the terms of which will apply to each of your advisory accounts. For accounts custodied at Raymond James, your advisory agreement supplements your Master Client Agreement or other account opening documentation, which is used to establish an account at Raymond James. The terms and conditions described in the Master Advisory Agreement, once executed by you, govern all of your advisory account(s) in the programs described in this Brochure, including existing advisory accounts previously opened under a program agreement, and any advisory account you may open now or in the future. Following inception of your advisory account(s), you will promptly receive a written confirmation detailing your advisory account details and features in the form of an Advisory Feature Summary, and additional Program-specific information in the form of a Program Supplement and Account Feature Summary corresponding to each applicable advisory account Program, which is incorporated into and a part of the Master Advisory Agreement as of the opening of the respective advisory account Program. The Master Advisory Agreement is based on beneficial ownership; an additional Master Advisory Agreement will not need to be signed unless the beneficial ownership of the accounts in the request are different.

An account in one of our wrap fee Programs is not considered to be effective pursuant to your respective advisory agreement(s) which could include the Master Advisory Agreement until it has been funded, all required account opening paperwork and/or documentation is submitted and accepted by us, and deemed to be in good order. For example, AMS will not generally consider an account (or the advisory agreement to be effective) until all reasonable and necessary account documentation has been submitted and processed by AMS and/or another functional area of our Firm, even though the account has otherwise been fully funded and a client-signed advisory agreement(s) or Master Advisory Agreement has been submitted or is on file, respectively. This would include accounts where necessary items such as a corporate resolution or IRA application are missing.

If you have chosen to submit periodic deposits to be allocated to your account, the account investment minimum must be met at account inception. Subsequent periodic investments need to meet the periodic investment minimum dollar amount, which is \$500 per investment period for American Funds and certain Freedom strategies and \$1,000 per investment period required for other AMS Managed Accounts. Annual contribution limits for RJ Custodial tax qualified accounts apply. Quarterly periodic deposits are available in March, June, September & December; semi-annual periodic deposits are available in June and December. Periodic deposits may only be initiated on the 7<sup>th</sup> or 21<sup>st</sup> day of the month.

### **OSM Platform Accounts Funded with Securities and Other Investments: Keep/Sell Process**

Any securities and other investments used to fund a managed or discretionary account, or that are later deposited into the managed or discretionary account may be sold. A capital gain or loss depending on your cost basis in the securities and other investments may occur. You should consult your tax advisor for advice on the tax implications of those transactions.

For OSM Platform accounts funded with securities and other investments, generally, the OSM Manager will determine if any of

the securities and other securities will be kept or sold (“keep/sell process”). This assessment may require coordination with the OSM Manager, where applicable. This process may take several business days, based on the number of strategies and/or OSM Managers being used and the type of securities and other investments being reviewed. You should further understand that these securities are not being actively managed, nor is a Fee being assessed to these securities. Occasionally, and under limited conditions, we may agree to manage an account where managed assets are held in a custodial account which also holds non-managed assets for which a readily available secondary market exists. You must obtain advance approval for this arrangement. You should also understand that we have no authority or responsibility regarding the investment, disposition, and monitoring of non-managed assets. Losses sustained in connection with the investment or disposition of non-managed assets are your sole responsibility.

Per your advisory agreement(s) which could include the Master Advisory Agreement, you authorize us to liquidate the securities and other investments in your account and use the proceeds to fund an OSM Platform account, if funded with securities and other investments, if applicable. You should provide a statement of the cost basis of the securities to us so that we can provide accurate gain/loss information. AMS will typically liquidate the securities and other securities as soon as is practicable possible. The portfolio construction/deconstruction process may require several business days based on the time of day of AMS's receipt of the instructions, the type of securities and other investments being reviewed and/or sold, and prevailing market conditions. The Manager and/or our Firm generally liquidate legacy securities and other investments immediately in the following instances: 1) when legacy securities and other investments are used to fund new, or are contributed to existing, OSM Platform accounts, 2) in connection with investment discipline changes, and 3) when you provide instructions to terminate and liquidate your OSM Platform account. AMS may coordinate these liquidations with the OSM Manager, where applicable, to limit the potential for price concessions, which may be more prevalent in debt securities traded in dealer markets.

Depending on the size and characteristics of the legacy position(s) and prevailing market conditions at the time of sale, among other potential factors, certain liquidations may be delayed (and therefore, initial investing may be delayed) which may cause you to receive a buy/sale price that is less favorable than if the transaction involved a more marketable or liquid position.

However, there is no assurance that we or the OSM Manager will be able to liquidate legacy securities and other investments due to a number of factors, including, but not limited to, the lot size of the legacy position (number of bonds), lack of willing buyers in the market, and a concession necessary to effect the sale transaction resulting in the bid price falling outside of the market range, among others. In these circumstances, you will be notified that the security must be held in a non-managed account in your name for you to sell at a later date.

In those cases where the existing funding assets to be liquidated are the same holdings as currently in the model, strategy or discipline, AMS and/or the OSM Manager may retain all or a portion of like securities and other investments or purchase more positions in the same security in accordance with the OSM Manager's investment strategy and in accordance with your investment objectives. For example, if you hold an existing position in a Fund that is currently held in your selected model, strategy, or discipline, AMS will assess whether to retain and/or liquidate a portion of the existing account to align with the overall objectives of the Fund strategy. Securities and other investments used to fund a managed account are transferred to the AMS Managed account team for liquidation to avoid you being assessed commissions on those liquidations. Loaded mutual funds purchased at RJA and transferred to an advisory account will be converted to an institutional share and excluded from fee billing. Refer to the [“Non-Billable Assets”](#) section for more information.

Contributions are treated in the same manner as newly funded accounts.

### **Disbursement/Withdrawal Requests**

You may withdraw cash or securities from your advisory account upon providing verbal or written notice to us, subject to verification. Withdrawals will be taken from cash balances if cash is available. All efforts are made by AMS to process withdrawal requests in an efficient and timely manner.

Investors in taxable accounts may supply us with standing instructions to send accrued income to another like-registered RJFSA account or have a check mailed to the address of record. This standing instruction option is not available for tax-qualified retirement accounts. However, both taxable accounts and tax-qualified retirement accounts may distribute the income periodically via ACH to an external financial institution. All necessary ACH, distribution paperwork and requirements apply.

When cash is depleted, your AMS Managed Program advisory account is re-balanced to the target allocation. Trades resulting from the withdrawal request or rebalancing, if any, are executed at market prices. Neither RJFSA nor RJA is responsible for changes in market prices that occur between its receipt of a request to withdraw cash and trade execution. Withdrawals (periodic or otherwise) requiring a liquidation of securities and other investments affects the asset allocation and the performance, of your advisory account. You authorize us to effect withdrawals from your advisory account pursuant to your request and on your behalf, except that any withdrawal requests you submit may not reduce your account balance below the account minimum. If you withdraw assets from your advisory account prior to delivering proper notice to us, neither we nor RJA will be responsible, nor liable to you, for losses to the advisory account which may result from the need to reverse transactions in the advisory account for which those assets were to be used but were not available. The advisory account is not intended as a short-term investment vehicle. Withdrawals from your advisory account may impair the achievement of your stated investment objectives.

OSM Managers are not authorized to withdraw any money (other than Fees payable by you), or securities or other investments from your advisory account, except for settlement of securities or other investments transactions, and unless otherwise permitted under your advisory agreement(s) which may include the Master Advisory Agreement or with your authorization.

## **Termination of Advisory Services**

Your advisory agreement may be terminated by you or the Firm at any time upon the appropriate provision of notice to either party as described in your account agreement. While there is no penalty for terminating your advisory agreement with us, termination with respect to the advisory account established through the agreement effectively ends the investment advisory relationship between you and the Firm. Upon termination, your Raymond James custodied advisory account will be converted to a custodial brokerage account governed by your account opening documentation. The brokerage account will no longer be assessed the advisory Fee (as defined herein) and any transactions requested after the termination of advisory services will be assessed a customary brokerage commission based on our standard commission schedule, pursuant to your account opening documentation. A refund of the portion of the prepaid Fee that has not yet been earned by us will be provided to you after termination, when applicable. You may provide instructions to liquidate the securities or other investments, move the assets to another financial institution, or hold these securities and other investments, as permitted, in a brokerage account. Upon termination of an account holding Manager Fund shares (defined as affiliated mutual funds available exclusively for investment by Manager-program clients) purchased in an AMS Managed account through us, we will immediately redeem these shares, as these securities may not be held outside of an account holding Manager Fund shares. Please refer to the "[\*\*General Risks Associated with Portfolio Investments\*\*](#)" section for additional information regarding Manager Funds.

For OSM Platform accounts, if your selected OSM Manager is no longer available on the platform or your IAR no longer recommends the OSM Manager to manage your account, your IAR will notify you and you will be asked to select a new investment manager, investment discipline, and/or advisory account Program. If we do not receive your instructions, we will convert the advisory account to a custodial or brokerage account governed by your account opening documents. Should you terminate your investment management agreement with an OSM Manager, we will not be responsible for the OSM Manager's reimbursement of prepaid management fees not yet earned by the OSM Manager upon termination. In the event you wish to retain the OSM Manager against the recommendation of your IAR, your IAR or Raymond James, as applicable, may terminate your OSM Platform Account. You understand that the termination of your OSM Platform Account will not necessarily result in the termination of your investment management agreement with the OSM Manager; however, in such an event, your account will require transfer to a broker-dealer firm that maintains a relationship with the OSM Manager, and awaiting instruction from you your account will be held as a custodial brokerage account.

In cases where you have instructed us to terminate the OSM Manager on your advisory account, we will not liquidate portfolio securities and other investments unless you specifically request us to do so. Upon termination, you may either liquidate your portfolio securities and other investments or hold these securities in a brokerage account. Primarily as a result of the time constraints and lot sizes applicable to client-directed sale transactions, and the general unavailability of trade aggregation in connection with these sales, the prices received in client-directed transactions may be less favorable than the prices that could be attained for sales of securities and other investments selected by us and/or the OSM Manager.

## **Item 6 – Portfolio Manager Selection and Evaluation**

### **Initial and Ongoing Review and Selection of OSM Managers**

OSM is a dual contract program and OSM Managers are available on the platform generally as an accommodation for pre-existing relationships that a financial advisor or client already has established prior to joining Raymond James. Therefore, while AMS will not accept all potential managers as OSM Managers, the review AMS conducts on OSM Managers is more limited. Initially and periodically thereafter, AMS reviews the OSM Manager primarily focusing on strategy performance in comparison to a relevant peer group or benchmark. The periodic review is not as comprehensive as the Manager Research and Due Diligence reviews performed on certain other Managers available in the single contract programs sponsored and offered through our affiliate, RJA. Please refer to the RJA Wrap Fee Program Brochure for more information, which is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

### **IARs as Portfolio Managers**

When you have an IAR Discretionary Ambassador program account, your IAR has met certain criteria required by Raymond James to exercise that discretionary authority over your account. We have established guidelines for your IAR to manage a discretionary account which generally include, but are not limited to, the following:

- Appropriately registered as an IAR;
- Five years of experience in the securities industry;
- Certain minimum commissions/fees earned and client assets under management in the prior twelve months;
- No significant customer complaints or disciplinary action against the IAR; and
- Additional compliance and investment management training may be required. Certain relevant industry professional designations may be applicable.

We retain the right to determine IAR qualifications for managing discretionary accounts, regardless of whether they meet all of these guidelines and also reserve the right not to offer the accounts through IARs that otherwise meet these guidelines. For more information about the conflicts of interest associated with your IAR providing advisory services and how we address those conflicts,

please refer to the "[IAR Compensation](#)" section.

Your IAR is subject to ongoing reviews to maintain his or her eligibility to continue offering discretionary management services to you in the Ambassador Program. These reviews, include, but are not limited to, the following:

- Adherence to product guidelines
- Completion of applicable continuing education requirements
- Advisor business mix, including number of accounts and/or assets in discretion
- Disclosures provided on CRD report (i.e., disciplinary actions, complaints, outside business activities, etc.)
- Prior trading activity

For more information on conflicts of interest associated with your IAR providing advisory services and how we address those conflicts, please refer to the "[IAR Compensation](#)" section. Additionally, your IAR is assigned to a supervisor who is responsible for ongoing supervision of his or her investment advisory activities on our behalf.

## **Review of Performance Information**

For information on account reviews performed by firm personnel, please refer to the "[Review of Accounts](#)" section.

## **Affiliated Managers and Funds**

The Carillon Family of Funds and Carillon Tower Advisors ("CTA") proprietary ETFs (collectively, "RJA-affiliated funds") are managed by Managers affiliated with RJFSA through our parent company, RJF, as further described in this section and, therefore, are also considered RJFSA-affiliated funds. Raymond James Investment Management serves as the investment adviser to RJA-affiliated funds and Raymond James Investment Management subsidiary investment advisers, Eagle, Cougar, ClariVest, Scout Investments, Inc. ("Scout"), who also does business as Reams Asset Management ("Reams"), and Chartwell Investment Partners ("Chartwell"), act as subadvisers as applicable (see each fund's prospectus for details). RJFSA's affiliate, RJA, includes RJA-affiliated funds in certain of the AMS Managed Programs offered by RJA. Please refer to RJA's Wrap Fee Program Brochure for additional information on use of affiliated Managers and funds in AMS Managed Programs.

Further, because RJA-affiliated funds (as described above) are also generally available for investment, such affiliated funds can also be recommended to you or selected by your IAR in non-retirement Ambassador Non-Discretionary and Discretionary Program accounts, respectively. RJA-affiliated funds are also permitted to be purchased and held in non-retirement Freedom and Portfolio Select UMA accounts and in each case are treated as billable positions. Retirement accounts will not be permitted to invest in RJFSA-affiliated funds, as federal regulations prohibit affiliated mutual funds from being purchased in advisory retirement accounts. While RJA-affiliated funds are not permitted to be purchased in Retirement Accounts, if held in such an advisory account (e.g., purchased when the account was a brokerage account or not a retirement account), no advisory fee will be charged on such assets (however, for accounts established through the RCS Division, an advisory fee will be assessed).

Raymond James Investment Management and its affiliated Managers receive compensation from RJA-affiliated funds in the form of management fees, which are paid by investors in these funds. RJFSA does not receive additional compensation for investing in the strategies of an affiliated fund over a non-affiliated fund other than that described in each Program description of our "[Overview of our Advisory Programs](#)", "[Compensation](#)", "[Education & Marketing Support Fees](#)", and "[Intercompany Payments Between Affiliates](#)" sections. For more information about compensation earned by affiliated managers in RJA's wrap fee programs, please refer to the RJA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>. However, if advice is implemented through us on behalf of these affiliates, we and our affiliates receive additional compensation as previously described and this compensation contributes to the overall profitability of our holding company, RJF. Please also refer to the "[Other Financial Industry Activities and Affiliations](#)" section for more information about our material business relationships.

Certain securities and other investments may be subject to trading or hold restrictions or may be excluded from fee billing in the Ambassador Program, depending on the account type. RJF stock, bonds, or options ("RJF securities") may be permitted to be purchased and held in Ambassador advisory accounts but will be considered ineligible for advisory fees due to the IAR's affiliation with RJF and, potentially, the IAR's personal holdings of RJF securities. This may create a disincentive for the IAR to recommend to a client a purchase of RJF securities or that existing RJF securities continue to be held. Managers in the OSM Platform may invest client assets in RJF securities which are eligible for billing.

## **Imposing Client Restrictions on Certain Securities or Types of Securities or Other Investments**

Pursuant to Rule 3a-4 under the Investment Company Act of 1940, we provide quarterly notification in account statements to clients who have delegated investment discretion to us or an investment Manager within our managed account programs, as applicable.

You may request that we or the Manager, as applicable, sell, or avoid selling, particular securities and other investments for the purpose of realizing a capital loss or avoiding a capital gain. You may also request reasonable restrictions on the investments made in your discretionary account or may request to reasonably modify existing investment restrictions previously accepted by us or the OSM Manager, as applicable.

Reasonable restrictions may include the designation of particular securities or other investments or types of securities that should not

be purchased in your discretionary account (such as Company XYZ or companies involved in a particular industry) or should be sold if held in your account. If any of the restricted securities are currently held in your account, you understand that they will be sold at the time the restriction is accepted without regard to tax consequences. We or the OSM Manager, as applicable, may determine that the requested restriction is not reasonable in our sole discretion. If so, you will be notified promptly. When accommodating an investment restriction, we or the OSM Manager, as applicable, may in our sole discretion select an alternative security in lieu of the restricted security, use the funds to invest in additional shares of the non-restricted portfolio holdings, or hold the funds in your cash sweep account. We cannot accept instructions to prohibit or restrict the purchase of specific securities or types of securities or other investments held within mutual funds or ETFs purchased by your IAR or an OSM Manager, as applicable, on your behalf. The ability to accommodate restrictions will vary by OSM Manager and more information about their ability to accommodate reasonable restrictions can be found in the OSM Manager's Form ADV Part 2.

Performance of an account with restrictions will differ from, and may be lower than, the performance of an account without investment restrictions. In addition, your decision to alter the allocation of any strategy or substitute any security may result in exposure to additional (and potentially unforeseeable) risks that are inconsistent with the objective of your advisory account. Similarly, clients that impose similar investment restrictions may or may not have similar portfolios. Efforts to accommodate reasonable investment restrictions may result in us or the OSM Manager selling securities in your account at an inopportune time, possibly causing a taxable event. In addition, in the event corporate actions at an issuer, including but not limited to mergers, spin-offs, and other types of reorganizations, result in the issuance of newly traded securities (that is, new symbols or CUSIPs that replace the previously restricted symbols/CUSIPs), the restriction will not carry forward to the new securities. You must provide a new restriction request for the new securities.

Should you wish to impose or modify existing restrictions, or your financial condition or investment objectives have changed, you should contact your IAR or the AMS Client Services Department at (800) 248-8863, extension 74991.

### **Performance Fees and Side-By-Side Management**

We do not manage any accounts or provide advisory services where we are compensated under a performance-based fee arrangement. In addition, we do not permit our IARs or other representatives to provide advisory services where their compensation is paid pursuant to a performance-based fee arrangement. However, one or more OSM Managers in our OSM Programs may engage in performance-based arrangements, the details of which will be described in the respective OSM Manager's client agreement and Form ADV. In these cases, our firm and our IARs do not receive compensation based on the performance-based fee charged by the OSM Manager.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

We and our IARs recommend and offer a broad spectrum of investment products, programs, and strategies. We and our IARs may use any of several methods of investment analysis, or combination of methods, when providing services to you. We have no requirements for using a particular analysis method and IARs are provided flexibility (subject to our Firm supervision and compliance requirements) when developing their investment strategies. IARs may use, as examples, internal or external research (written research or by having conversations with various sources), local or national news, press releases, economists' views, personal contacts, and/or model portfolios from affiliated or non-affiliated sources to formulate investment strategies tailored to your investment objectives, financial situation, and risk tolerance.

Model portfolios used as a research tool may also be available. As an example, financial advisors may monitor trading decisions made by the AMS Investment Committee or our own affiliated managers (collectively; "our managers") in strategies available in our other Managed account programs and implement a substantially similar strategy(s) in your Ambassador program account. While your financial advisor, through their own analysis, can decide to implement identical trades in your Ambassador account, performance differences can occur due to the execution timing of trades (note: such trades in your account will occur after the model trades are implemented), specific portfolio holdings or relative exposures. The variances in how your financial advisor implements the model strategies they are following will affect the performance of your Ambassador account in comparison to the actual model portfolio in one of the Managed account programs. In addition, note that compensation paid to your financial advisor may be higher in the Ambassador program than our other Managed account programs depending on your negotiated fee.

Because our Managed and Ambassador program accounts are available through various affiliated entities, including other divisions of Raymond James, you could pay more or less for access to these same models based upon your negotiated fee in advisory programs available through the other entity.

For information about those analyses and strategies used by OSM Managers in the OSM Program, please refer to the individual OSM Manager's investment management agreement, Form ADV Part 2A or equivalent brochure.

### **IAR Managed Programs**

In the AMS Managed and IAR Managed Programs described in this Brochure, our Firm and our IAR may use one or more of the following methods of investment analysis:

Fundamental Analysis: involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained

may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for an investment's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance. This also applies to other investments such as corporate bonds, mutual funds, and ETFs. Computer systems and artificial intelligence are becoming more popular inputs for some firms related to this analysis.

Charting Analysis: involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis: involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific securities.

Cyclical Analysis: a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Global macroeconomic Analysis: Also known as "top-down", this involves regional analysis of economic, market, and industry trends before zeroing in on the investments that will benefit from those trends.

Scenario Analysis: Involves analyzing the investment or portfolio with estimates of outcomes based on a specific past timeframe or possible macro factors (interest rates, inflation, stock market movements). Scenario analysis can be considered a form of stress testing and is commonly used to estimate changes to a portfolio's value in response to an unfavorable event.

## **Investment Strategies**

Our Firm and our IARs provide numerous investment management styles and strategies, including large and small cap equity, international equity, fixed income, and a broad spectrum of mutual funds and exchange traded funds, either individually or in combination. Generally, our Firm and our IARs recommend and provide clients a diversified investment strategy incorporating domestic and international equities, fixed income, and other alternative asset classes such as real estate, commodities, and derivative-related strategies. The exact composition of recommended programs and investment strategies will be determined by the client's legal and tax considerations and greatly influenced by the client's liquidity needs and tolerance for risk (portfolio fluctuations).

## **Tax Considerations**

*Internal Revenue Service ("IRS") Circular 230 Disclosure:* Our Firm, our affiliates, agents, and employees are not in the business of providing tax, regulatory, accounting, or legal advice. This brochure and any tax-related statements provided by us are not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax professional.

## **General Risks Associated with Portfolio Investments**

Investing involves risk, including loss of principal, which you should be prepared to bear. Asset allocation and diversification does not ensure a profit or protect against a loss. No one particular security, investment product, investment style, strategy or Manager is appropriate for all types of investors. While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions like a pandemic or other communicable diseases may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Call Risk:** The risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Manager Risk:** The risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Credit Risk:** Generally, bonds with a lower credit rating indicate a higher potential for financial risk and will generally command a higher offering yield. Conversely, bonds with a higher credit rating indicate less likelihood for financial difficulties and generally provide a lower yield to investors. The absence of a rating may indicate that the issuer has not requested a rating.

evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied. Non-rated securities tend to be more speculative in nature and are less liquid. Although rating agencies assist in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction, or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A rating agency may also place an issuer under review or credit watch which may be another indicator of a future rating change. Your trade confirmations, online accounts, and monthly statements display only the ratings of those rating agencies to which we subscribe.

**Default Risk:** An issuer's inability to remain solvent and pay any outstanding debt obligations in a timely manner. Adverse changes in the creditworthiness of the issuer (whether or not reflected in changes to the issuer's rating) can decrease the current market value and may result in a partial or total loss of an investment.

**Interest Rate Risk:** Generally, as interest rates rise, the price of a bond will fall and conversely, as interest rates fall, the price of a bond will rise. The yield offered on bonds is based upon a collective associated-risk evaluation, coupled with a market-determined spread over a similarly traded riskless transaction (historically measured versus a similar maturity Treasury bond). As interest rates fluctuate, the yield on most bonds will be adjusted accordingly.

**Purchasing Power Risk:** The risk that, over time, inflation will lower the value of the returned principal. This means that an investor will be able to purchase fewer goods and services with the proceeds received at maturity.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities and other investments.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry.

**Liquidity Risk:** Liquidity represents the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury -securities are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. Senior debt instruments (e.g., secured bonds) generally have a higher priority of payment if an issuer's financial strength declines than equity investments (e.g., common stocks). A company facing financial challenges generally must stop paying dividends to shareholders before interrupting interest payments to bondholders.

**Correlation Risk:** The risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

**Counterparty / Default Risk:** The risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.

**Valuation Risk:** The risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

**Tax Risk:** The risk that tax laws may change and impact the underlying investment premise or profitability of an investment. The tax overlay services offered and "Direct Indexing" strategies in RJCS for example attempt to keep taxes low for investors but there is not guarantee because of market conditions at that time. Related, strategies involved with lowering taxes have investment risk because of the more custom nature and may not track the appropriate benchmark because of this strategy.

**Cybersecurity Risk:** Raymond James and its service providers use computer systems, networks and devices to carry out routine business operations and employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections used, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory

penalties, reputational damage, additional compliance costs, or financial loss. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties.

**Technology Risk:** Managers or disciplines which invest a portion or all of a portfolio in the technology or biotechnology sectors may be more volatile than those investing in other sectors. The technology and biotechnology sectors have historically demonstrated higher volatility than many other sectors of the equity market. As a result, the securities and other investments selected within these portfolios will typically be more speculative in nature and thus have a greater potential for the loss of capital.

We must rely in part on digital and network technologies to conduct our business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by us to provide services and maintain our business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or our service providers' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties, or the inability to conduct business.

**Political and Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and economic environment can change rapidly and without warning, with significant impact, especially for companies operating internationally or those companies who conduct a substantial amount of their business internationally. Political and legislative events anywhere in the world may have unforeseen consequences to markets around the world.

**Concentration Risk:** This is the risk of amplified losses that could occur from having a large portion of holdings in a particular investment, asset class, or market segment relative to the investor's overall portfolio.

**Portfolio Customization Risk:** Investors that have imposed investment restrictions, request customization of their portfolio or have selected tax overlay service (including Direct Indexing) may not track the investment manager's standard performance closely at all times. For example, restricting tobacco and alcohol, or holding overly concentrated positions, or investing while seeking tax minimization may cause tracking error or performance dispersion when compared to the manager's overall composite performance returns or relevant benchmark.

Other product/ sector specific risks include the following:

**Sector-specific investing:** Investors considering these programs should recognize that managers/disciplines which invest a portion or all of a client's assets with a sector emphasis may lead to increased volatility; therefore, a long-term investment horizon of five or more years is recommended. Investors should also be aware that concentrated accounts, also known as "non-diversified" or "focused" accounts, generally hold less than 15 stocks. Therefore, accounts may have over-weighted sector and issuer positions, which may result in greater volatility and risk.

**Small Cap Investing:** If you are considering small-cap investments or objectives in which a portion or all of your assets are invested in these disciplines, you should recognize that the issuers of these small-cap securities may not have significant business experience or may have businesses that are still in the early stages of the business life cycle, may be less liquid, may have lower trading volume and greater spreads between the purchase and sale prices of their securities, and may experience greater volatility than securities with larger market capitalizations. The securities selected for these disciplines will typically be more speculative in nature and thus have greater potential for the loss of principal.

**International Investing:** If you are considering an international / global investment or discipline, in which a portion or all of your assets are invested in international securities, you should recognize that investing in international securities markets involves additional risks not associated with domestic securities. Exchange rate fluctuations, currency controls, political and economic instability, and greater volatility are risks commonly associated with international investing. Exchange rate risk between the U.S. dollar and foreign currencies may cause the value of investments to decline. Investing in emerging markets can be riskier than investing in well-established foreign markets. Investments in international disciplines may be subject to foreign financial taxes. Certain strategies gain international investment exposure by investing in ADRs and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. You should carefully review your asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

**Equity Risk:** Strategies that invest in equity securities are subject to the risk that stock prices may fall over short or extended periods of time. Equity markets tend to move in cycles, and the value of each strategy's equity securities may fluctuate drastically from day-to-day. The individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.

**Limited Partnerships:** Certain Managers may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment. MLPs may not be appropriate for tax-qualified retirement accounts.

**Fixed Income Risk:** Investors considering a fixed income investment or discipline generally seek consistent returns with lower risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment horizon than equity and balanced investors, although the objective can accommodate investors with longer term investment horizons as well. Fixed income and bond fund investors should carefully consider risks such as interest rate risk, credit risk, liquidity risk and inflation risk.

Investors considering Managers/objectives that primarily invest in high-yield fixed income, collateralized mortgage obligations ("CMOs"), asset- backed securities, and/or convertible securities, you should be aware that additional risks exist with these types of investments. These securities may be rated below investment grade or not rated, which reflects the greater possibility that the financial condition of the issuer, or adverse changes in general economic conditions, may impair the ability of the issuer to pay income and principal. To the extent that no established secondary market exists, there may be thin trading of high-yield bonds, which increases the potential for volatility. Periods of rising interest rates or economic downturns may cause highly leveraged issuers to experience financial stress, and thus markets for their securities may become more volatile.

Most CMOs are agency CMOs. Agency CMOs are not rated by any rating agencies but are generally considered to have an implied AAA rating because they are guaranteed by the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Association (Freddie Mac). This rating however is subject to upgrades and downgrades based on the credit rating of the US Government debt. AAA implied rated CMOs will have more volatility than AAA rated U.S. Treasuries or corporate bonds during periods of rising interest rates because of negative convexity; that is slowing prepayments causing increased duration, or "extension risk." CMOs may not be appropriate for some investors, especially if the timing of return of principal is a primary concern as the security carries interest rate and prepayment risks. The yield and average life of a CMO will fluctuate, depending on the actual prepayment experience and changes in current interest rates thus impacting the return on a portfolio. Convertible securities combine the fixed characteristics of bonds and preferred stock with the potential for capital appreciation; they may be subject to greater volatility than pure fixed-income instruments. The aforementioned securities may be illiquid when selling small positions and withdrawals may take several weeks.

**Municipal securities:** Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult a tax professional to assess the impact of holding such securities on your tax liability.

**Mutual funds, ETFs, and other pooled investments:** Unlike shares of mutual funds, but similar to other securities and fixed income products, shares of ETFs are bought and sold based on market values throughout each trading day, and do not necessarily trade at their NAV. For this reason, ETF shares could trade at either a premium or discount to NAV. ETF shares also may trade at a bid and ask spread, which tends to be wider for ETFs which hold less liquid securities such as international or high yield bonds or emerging market stocks. Both the premium and discount, and bid-ask spreads add to the costs of buying and selling ETFs and may reduce returns associated with those investments.

Accounts may invest in ETFs classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing clients should consult their tax advisor for additional information regarding the tax consequences associated with the purchase, ownership, and disposition of such investments. Additional information is also available in each ETF's prospectus, which is available upon request.

**Speculative securities and other investments:** Investing in speculative securities, such as low-priced stocks and newly issued equity securities, as well as securities of historically unprofitable companies, involves more than average risk and such securities can experience volatile price behavior. For example, with respect to new industries, stocks issued by relatively unproven companies typically have valuations that materially exceed valuations based on traditional business methods. Although prospective investment returns may be higher than normal, only investors capable of sustaining the complete loss of their investments should purchase speculative securities.

**Alternatives:** Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater than and substantially different from those associated with traditional equity or fixed income investments.

The use of derivatives such as swaps and futures entails substantial risks, including the risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Derivatives prices can be volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by an account, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them. Further, there are risks involved in borrowing and lending against derivatives. Banks and dealers can apply essentially discretionary margin and credit requirements (and thus in effect force a position to close). Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). In addition, some derivatives carry the

additional risk of failure to perform by the counterparty to the transaction. Many unforeseeable events, such as government policies, can have profound effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments. Because of this, extensive use of derivatives may magnify any gains or losses on those investments as well as the risk of any fund or strategy using derivatives.

**Private Placement Variable Life Insurance and Variable Annuity Risk:** The value of the Investment Account will fluctuate and, when redeemed or annuitized, may be worth more or less than the total investment. Alternative investments carry particular risks, which should be considered prior to investing in PPLI/V/A Alternative Investments. Some of these risks include speculative investment practices, limited liquidity, lack of periodic pricing or valuation information sent to investors, and the lack of transparency of underlying investments. Death benefit guarantees of variable universal life insurance products are subject to the claims paying ability of the insurance company.

PPLI/V/A Alternative Investments may not be appropriate for all qualified purchasers. PPLI/V/A Alternative Investments are unregistered securities products, which are not subject to the same regulatory requirements as registered products. The tax benefits of PPLI/V/A Alternative Investments are dependent upon compliance with U.S. federal tax laws applicable to insurance products. In addition, the Policy must meet certain diversification requirements as outlined in the private placement memorandum. For PPLI/V/A Alternative Investments, you should rely solely on the disclosure contained in the private placement memorandum with respect to the terms and conditions of the life insurance and variable annuity product.

**Managed futures strategies:** Managed futures strategies may seek exposure to different asset classes, such as equity securities, fixed income securities, commodities, currencies, interest rates and indices. Investing in managed futures involves risks, including but not limited to, liquidity risk and risks associated with commodities, currencies and other non-traditional assets, leverage, derivative instruments, and complex strategies. Other risks may include market risk, fixed income securities risk, interest rate risk, credit risk, foreign issuer and investment risk and emerging market risk. Investors investing in these strategies should have a high tolerance for risk, including the willingness and ability to accept significant price volatility, potential lack of liquidity and potential loss of their investment.

**Hedge fund replication strategies:** Hedge fund replication strategies attempt to replicate the "beta" (market risk) of the hedge fund market. These "alternative beta" funds employ sophisticated quantitative engines that use algorithms to determine which investments best explain the movement of the hedge fund index to produce a number of factors they feel drive the beta of the hedge fund universe. These funds typically have higher traditional market correlations but still maintain lower market risk over volatile periods.

These investments can be illiquid, are not always required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, may charge high fees, in many cases the underlying investments are not transparent and are known only to the Manager, and may be more concentrated than other investments. Investors should carefully review and understand offering documents for these investments.

**Precious metals and other commodities:** Markets for precious metals and other commodities have historically been volatile. There may be sharp price fluctuations even during periods when prices overall are rising, creating the potential for losses regardless of the length of time the commodities are held. Therefore, investments in precious metals and other commodities should only comprise a small part of a diversified portfolio. Among the factors that may affect the value of commodity investments are cyclical economic conditions, sudden political events, and adverse international monetary policies.

**Arbitrage strategies:** Arbitrage strategies traditionally involve no net investment (although there is some margin or collateral that must be posted) by shorting a position and using the funds to purchase the same or similar position in another market. Common applications of arbitrage include convertible arbitrage, where a manager will buy a convertible bond and sell the underlying stock or vice versa because of perceived mispricing. Another arbitrage strategy is merger arbitrage, where managers buy the stock of a new company resulting from a merger transaction and sell the stock of the acquiring company.

**Global macro strategies:** Global macro strategies invest in financial derivatives and other securities, on the basis of movements in global financial markets. The strategies are typically based on forecasts and analysis about interest rate trends, movements in the general flow of funds, political changes, government policies, inter-government relations, and other broad systemic factors. Certain strategies gain international investment exposure by investing in ADRs and similar depository receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges.

**Long/short strategies:** Long/short strategies is a strategy in which Managers can go long (buy) in the stocks of companies/sectors which are believed to be undervalued and for which the manager has a positive outlook while simultaneously shorting (selling) companies/sectors which are believed to be overvalued and for which the manager has a negative outlook. Long/short funds offer the potential for upside participation with the ability to protect assets in difficult market environments and they exhibit varying levels of correlation to traditional markets.

**Structured investments:** Market-Linked Investments, also commonly known as Structured Investments, are specialized bonds (Market-Linked Notes) or bank CDs (Market-Linked CDs) whose performance is linked to specific markets (such as equities, equity indices, commodities, or currencies) over a set period. Market-Linked Notes (MLNs) and Market-Linked CDs (MLCDs) are not suitable for all investors. The following risks are often associated with owning Market-Linked Investments: Market

risk, equity risk fixed income risk, credit risk, liquidity risk, call risk, correlation risk, valuation risk, tax risk, and principal risk. Investors should consult their IAR for investment advice and read all applicable offering documents before investing. Investors should carefully review the risk factors section in the relevant offering documents for a complete description of all risk factors. MLNs and MLCDs are subject to fees and costs, which may include commission paid to your IAR, structuring and developments costs, and offering expenses. There are also trading costs including costs to hedge the product. Please refer to the offering documents for a full list of fees. Market-Linked Investments are priced using evaluations which are typically model-based and do not necessarily reflect actual trades. The complete costs associated with issuing, selling, structuring, and hedging Market-Linked Investments are not fully deducted upon issuance, but over time. As such, initial statement evaluations are expected to be higher than the current estimated market values during this initial period. Beyond this period, the statement price evaluations suggest the current estimated market values, which can be higher or lower than the amount you would receive in an actual sale. These estimates assume normal market conditions and are based on large volume transactions. Market prices of Market-Linked Investments may be affected by several risks, including without limitation: market risk, interest rate risk, default risk, credit risk, and liquidity risk.

Other risks include the following:

**Margin Risk/Pledging Assets:** You should be aware that pledging assets in an account to secure a loan or purchase securities and other investments on margin involves additional risks. The bank holding the loan may have the authority to liquidate all or part of the securities or other investments at any time without prior notice to you in order to maintain required maintenance levels or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. These actions may interrupt your long-term investment goals and result in adverse tax consequences and additional fees earned by the bank. The returns on pledged assets may not cover the cost of loan interest and account fees and may dictate a more aggressive investment strategy to support the costs of borrowing. Before pledging assets in an account, you should carefully review the loan agreement, loan application, any forms required by the bank, and any other forms and disclosures provided by us. You should understand that 1) the use of the use of borrowed money results in greater gains or losses than otherwise would be the case without the use of margin, and 2) there is no benefit from using margin if the performance of your account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin. Please refer to the "[Loans and Collateral – Securities Based Lending](#)" and "[Buying Securities and other Investments on Margin and Margin Interest](#)" sections for more information.

**Option Purchases/Sales:** Options involve unique and potentially significant risks and are not suitable for everyone. Option trading can be speculative in nature and may carry substantial risk of loss. We may require the use of margin for higher risk strategies. We generally limit the use of options to hedging strategies in managed and discretionary accounts (e.g., covered calls and put purchases with limited downside risk), although you may use, upon pre-approval by us, more sophisticated and higher risk option strategies in your non-discretionary Ambassador account based on your individual circumstances. On a limited basis, certain OSM Program managers are allowed to offer more sophisticated option strategies to approved clients. Before we accept an account for options activity, you must be given the option disclosure document titled "Characteristics and Risks of Standardized Options" and must complete and submit an Option Application and Agreement for our review and approval prior to transacting option trades. You may only use those strategies that have been approved by us for use in your account, and, if approved for more sophisticated option strategies, margin approval on the account is also required as indicated in the Options Application and Agreement

## **Manager Funds and Manager-Affiliated ETFs**

Certain OSM Managers may invest a portion of an OSM Platform account, or include an allocation within their investment portfolio, in mutual funds affiliated with the OSM Manager. The use of OSM Manager-affiliated mutual funds is typically intended to improve the diversification of the portfolio holdings, where an investment in individual securities would be impractical or more costly (such as with international and fixed income securities). Within the OSM Platform, we do not stipulate or otherwise establish guidelines on when an OSM Manager may use OSM Manager Funds in their portfolios as OSM Platform clients have a direct investment management agreement with the OSM Manager. We do not monitor the OSM Manager's use of OSM Manager Funds. Additional information regarding OSM Manager Funds is available in the OSM Manager's Form ADV Part 2A or equivalent disclosure document, and the OSM Manager Fund's prospectus(es) and/or SAI, each of which are available from your IAR.

A select number of Managers use ETFs, which may include ETFs affiliated with the Manager, as a primary or significant and ongoing part of their managed portfolios, in order to gain timely and broadly diversified access to specific asset classes or market sectors. Managers that invest in ETFs affiliated with the Manager ("Manager-affiliated ETFs") may only invest in these ETFs where no management fees are assessed, or any applicable management fees are waived by the Manager. Unlike Manager Funds, Manager-affiliated ETFs are permitted to be held outside of a managed program account. Since Manager-affiliated ETFs are exchange-traded and available to the general investing public and not limited to managed program clients, the Manager's use of Manager-affiliated ETFs may create a conflict of interest for the Manager or their affiliates due to the potential economies of scale that result from greater investment access, and the Manager's or their affiliates' desire to market their availability outside of a managed program account.

## **Brokerage Practices**

### **Selecting Brokerage Firms**

Your IAR, if licensed as a registered representative through RJFS is subject to Financial Industry Regulatory Authority ("FINRA") Conduct Rule 3040 and FINRA Rule 3280, which restrict them from conducting securities transactions away from our Firm or

an affiliated firm. As a result, our IARs are most often limited to conducting securities transactions through RJFS and its clearing firm RJA. RJFS or RJA may charge a higher fee than another broker for a particular type of service, such as transaction fees. You may use the broker-dealer of your choice and have no obligation to effect transactions only through RJFS. However, if you do not use RJFS as your broker-dealer, your IAR will generally not be able to accept your account(s).

We route order flow through our affiliated broker-dealers, RJA and RJFS and we will recommend RJA and RJFS to you as clearing firm and introducing firm, respectively. It is important to note that trades executed in advisory accounts on our behalf by RJFS or RJA in their capacity as broker-dealers are generally effected with no commission. As a result, you generally receive a cost advantage when we effect trades in your advisory account versus those trades that are effected by an unaffiliated broker-dealer that charges a commission. Certain OSM Managers elect to have their trades executed by a broker-dealer not affiliated with us. In many cases, these trades may be assessed a commission by the executing broker-dealer.

Because our services do not include the selection of brokerage firms, you do not necessarily obtain execution of transactions or brokerage rates as favorable as those which might be obtained through a third-party manager that does undertake to select brokerage firms or to negotiate rates with those selected firms. Better executions may be available through another broker-dealer based on a number of factors including volume, order flow and market making activity.

### **Best Execution**

As investment advisers registered with the SEC, we and the OSM Managers are legally required to take all reasonable steps to seek the best possible trading result for you, taking into account a number of factors, including price, costs, speed, likelihood of execution and settlement, size, nature, confidentiality, and other relevant considerations when executing orders on your behalf. The obligation is commonly referred to as "best execution".

To comply with best execution obligations, our Firm and each OSM Manager responsible for trading activity in client accounts must evaluate the orders received in the aggregate and periodically assess the execution quality of the various competing markets, trading venues, dealers, and market makers to which the orders are routed for execution. As mentioned above, a range of different factors may be considered when obtaining best execution, so it is important to note that best execution does not expressly mean the lowest cost or best price. Other factors may take on equal or greater prominence when determining best execution, such as the need for timely execution, the nature of the transaction and market in which the security trades or the need for confidentiality in working trades to fulfill the order, among others.

An OSM Manager that directs an order to us for execution is independently responsible for satisfying its best execution obligations just as we are when executing these orders. OSM Managers that elect to direct a trade to a broker-dealer or trading venue ("trade away"), rather than to us, must make a determination that doing so satisfies their best execution obligation. In these cases, the OSM Manager that trades away, not RJFSA, is solely responsible for satisfying its best execution obligation.

We have adopted a Best Execution policy in accordance with applicable law. Best Execution Committees meet periodically to evaluate the execution quality of trades executed through RJA, in its capacity as a broker-dealer.

### **Block Trades**

Depending on who has investment discretion, the OSM Manager or your IAR (if an Ambassador account) may determine that the purchase or sale of a particular security is appropriate for more than one client account. The OSM Manager or your IAR may aggregate sale and purchase orders of securities held by you with similar orders being made simultaneously for other clients into one "block" order for execution purposes. Blocking orders generally seeks to obtain a more advantageous net price, potentially avoid an adverse effect on the price which could result from simultaneously placing a number of separate competing orders, simplify the administration and efficiency of trading across a potentially large number of accounts, or a combination of these and other factors. If a block transaction is effected by the OSM Manager or your IAR, you will receive the average price of all transactions effected to fill the order. As a result, the average price received by you may be higher or lower than the price that an individual client may have received had the transaction been effected for you independently from the block transaction.

### **OSM Manager Trade Rotation Practices**

Depending on the liquidity of the security and the size of the transaction, among other factors, OSM Managers may use a trade rotation process where one group of clients may have a transaction effected before or after another group of the investment manager's other non-RFSA clients, so as to limit the market impact of the transaction. For example, an OSM Manager's trade rotation process may result in RJFSA clients being the first accounts in which a specific trade is aggregated and executed, and once completed, the OSM Manager will then "rotate" to the next set of clients or firm in their rotation; over time it is expected that our clients will eventually be last in the OSM Manager's rotation.

An OSM Manager's trade rotation process is developed and administered at their sole discretion. OSM Managers typically use a random selection process and the trade rotation process is intended to equitably allocate transactions across the OSM Manager's entire client base so that each group of clients can expect over time to receive executions at the beginning, middle and the end of the rotation.

As a result, you should understand that an OSM Manager's trade rotation process may result in a transaction being effected in your account that occurs near or at the end of the OSM Manager's rotation. When at the end of a rotation, these transactions may significantly bear the market price impact, if any, than those trades executed earlier in the OSM Manager's rotation. As a result of the OSM

Manager's trade rotation practices, your account could underperform other accounts.

Taking into account the size and scale of an OSM Manager's distribution reach (that is, how many firms like us offer their investment disciplines, as well as whether the OSM manager offers these disciplines directly to institutional investors and mutual fund companies), the development and implementation of a trade rotation process is directly linked with meeting their best execution obligation. There is no uniform standard or process employed within the investment management industry. As a result, certain OSM Managers may decide to use a trade rotation process for all securities in their portfolio and trade only through the investment adviser sponsoring the managed account programs. Others may choose to use a rotation process that includes making a determination to trade away from the sponsors frequently or on a majority basis. Additional information regarding each OSM Manager's trade rotation practices is available in the OSM Manager's Form ADV Part 2A or equivalent disclosure brochure.

## **Voting Client Securities**

### **Proxy Voting**

If your OSM Manager has authority to vote proxies on your behalf, pursuant to your Manager Agreement with the OSM Manager, such OSM Manager will vote or abstain such proxies, as the case may be, in accordance with their own policy. More information regarding the OSM Manager's proxy voting policy will be described in the OSM Manager's Form ADV or equivalent disclosure brochure.

If you have an Ambassador account(s), you retain the right to vote all proxies solicited for the securities held in your account(s). We do not accept the authority to vote client securities nor do we permit our IARs to vote proxies on behalf of advisory clients in connection with any of the services described in this Brochure. Per the terms of the advisory agreement which may include the Master Advisory Agreement, we will not take any action with respect to the voting of proxies on the behalf of an advisory Client.

### **Investments in Issuers Subject to Legal Proceedings**

On occasion, securities and other investments held in your portfolio may become the subject of legal proceedings, including bankruptcies and shareholder litigation. You have the right to take any actions with respect to any legal proceedings, including bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in your account. You are not obligated to join other parties as a requirement to initiating or participating in any proceeding. Neither our Firm nor the OSM Managers (where applicable) provide legal advice and will not file any claims on your behalf. However, if your Advisory Account is an eligible account, it will be auto-enrolled pursuant to your account opening documentation in a Class Action Recovery Service provided by RJA, in its capacity as the custodian or sub-custodian of your accounts, as applicable, and your enrollment authorizes us to automate the class action claim process for your accounts. Material terms of the Class Action Recovery Service may be found in the "Class Action Recovery Service" paragraph of the Important Client Information. Prospectuses related to Securities in your Account will be delivered to you or made available to you upon request, as applicable.

## **Item 7 – Client Information Provided to Portfolio Managers**

Your IAR collects the following information from you: name, social security/tax identification number, address, phone number, employer, occupation, date of birth, number of dependents, net worth, annual income, investment experience, retirement status, investment objective, risk tolerance, time horizon, investment restrictions and other written instructions relating to the management of your account. On behalf of your IAR, the Firm will share this information with your OSM Manager, where applicable so they can appropriately implement your selected investment strategy.

On a quarterly basis, we will remind you in your statement to inform your IAR of any changes in your investment goals and financial situation or if you wish to impose or modify existing investment restrictions in your account. We also encourage you to review your investments with your IAR on, at least, an annual basis. In turn, we also share material changes you report to us with the Manager, where applicable.

## **Item 8 – Client Contact with Portfolio Managers**

In the AMS Managed Programs described in this Brochure, your relationship is with your IAR and not directly with any of the Managers. However, if you are using the OSM Platform, you will have a separate contract directly with the OSM Manager. Please refer to your agreement with the OSM Manager or their Form ADV Part 2A for additional details about any restrictions they may place upon you for contacting and consulting with Managers. Client contact with the OSM Manager generally occurs through your IAR and/or AMS.

## **Item 9 – Additional Information**

### **Disciplinary Information**

Below is a summary of our material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for our senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to our clients.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would

be material to your evaluation of our Firm. Our firm operates as an investment adviser. The disciplinary reporting requirements for broker-dealers and investment advisers differ in some ways, with FINRA requiring broker-dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. The information in this report is not the only resource you can consult. You can access additional information about our Firm and our management personnel on the SEC's website, located at <https://adviserinfo.sec.gov/>, as well as FINRA's website at <https://brokercheck.finra.org/>.

Please note that in each instance described below, the Firm entered into the various orders, consents, and settlements without admitting or denying any of the allegations.

#### Securities and Exchange Commission ("SEC")

- On March 11, 2019, the SEC issued an order regarding the conduct that RJFSA had self-reported to the SEC. Specifically, the SEC found that at times during the period of January 1, 2014 to February 16, 2018 (the "review period"), RJFSA purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible; and RJFSA did not disclose in its Form ADV or otherwise the conflicts of interest related to (a) its associated persons' receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees. The SEC found that, as a result of that conduct, RJFSA violated Sections 206(2) and 207 of the Investment Advisers Act of 1940. RJFSA neither admitted nor denied the SEC's findings. In mid-2018, RJFSA self-reported to the SEC, pursuant to the SEC's Share Class Selection Disclosure Initiative, conduct related to its mutual fund share class selection practices and the fees its affiliated broker, RJFS, and associated persons received pursuant to Rule 12b-1 under the Investment Company Act of 1940.

As part of its settlement with the SEC, RJFSA consented to a cease-and-desist order and to pay \$6,877,048.11 (representing 12b-1 fees received during the review period and reasonable interest) to affected investors. It also agreed to review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees, and certain other related undertakings as well. RJFSA notified affected investors in January 2019 of the fee credit and interest amount that they would receive which would be reflected in the affected investor's January account statement. Affected investors with closed accounts received a check through the mail in February.

- On September 17, 2019, Raymond James & Associates, Inc., Raymond James Financial Services, Inc., and Raymond James Financial Services Advisors, Inc. (collectively, "Raymond James") settled a matter with the SEC where Raymond James had not properly conducted suitability reviews for certain advisory accounts, had inadvertently overvalued certain assets that resulted in charging excess advisory fees, did not consistently have a reasonable basis for recommending certain unit investment trust ("UIT") transactions to brokerage customers, and failed to disclose the conflict of interest associated with earning greater compensation when recommending certain securities without providing applicable sales-load discounts to brokerage customers. The issues occurred at various time from January 2013 through May 2018, and not every account was impacted by these issues.

Raymond James promptly undertook a number of remedial efforts, which included voluntarily retaining compliance consultants to comprehensively review its UIT transactions and advisory valuation practices and revising its policies and procedures regarding the supervision of advisory accounts. Without admitting or denying the SEC's findings, Raymond James will pay restitution of \$11,098,349.01 and interest of \$1,072,764.80. Raymond James will also pay a civil money penalty in the amount of \$3,000,000 to the SEC. On September 3<sup>rd</sup>, Raymond James sent notices of pending credits to impacted clients. Certain states have made inquiries into this matter as well.

#### Financial Industry Regulatory Authority ("FINRA", the Successor to NASD)

- On March 8, 2016, FINRA entered findings that Raymond James violated Rule 10 of Regulation S-P under the Securities Exchange Act of 1934, FINRA Rules 2010 and 3110(a) and NASD Rule 3010(a) and (b) by causing certain newly-recruited registered representatives from other brokerage firms ("recruits") to disclose customers' personally identifiable information ("PII") to pre-populate Raymond James forms to aid in the transition of their accounts to Raymond James and its RJFS affiliate. The findings state that Raymond James failed to: (i) determine whether the recruits or their brokerage firms had obtained the clients' consent to share their PII, or provide these clients with notice of, and an opportunity to opt-out of Raymond James coming into receipt of their PII; (ii) establish and maintain reasonable written supervisory procedures to ensure compliance with Regulation S-P; (iii) prevent the improper solicitation of PII from recruits; (iv) adequately educate and train its staff on what constituted PII and the circumstances in which it can be shared; and (v) demonstrate that its written supervisory procedures were being followed and enforced. Without admitting or denying FINRA's findings, Raymond James consented to the entry of findings and to the following sanctions, including a censure, a fine in the amount of \$500,000, and an undertaking to revise as necessary its policies, procedures, and internal controls.
- On May 18, 2016, FINRA entered findings that Raymond James and its Anti Money Laundering ("AML") Compliance Officer failed to (i) establish and implement policies, procedures, and supervisory systems to reasonably detect and cause the reporting of suspicious transactions, reasonably enforce due diligence procedures for certain correspondent accounts of certain foreign financial institutions; and establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 with respect to low priced securities. On May 18, 2016, Raymond James consented to the entry of findings and to the following sanctions, including a censure,

a fine in the amount of \$9,000,000, and an undertaking to conduct a comprehensive review of its AML and supervisory policies, procedures, systems, and training.

- On March 2, 2017, FINRA entered findings that Raymond James violated FINRA Rule 2010 and NASD Rule 3010 by failing to establish and maintain a reasonable supervisory system and related procedures in connection with its trading in convertible bonds. Raymond James consented to the described sanctions and entry of findings and was censured, ordered to pay a fine in the amount of \$180,000 and ordered to revise its written supervisory procedures concerning the monitoring of its trading in convertible bonds.
- On December 21, 2017, FINRA entered findings that Raymond James Financial Services (RJFS) violated NASD Rules 3010 and 2110 and FINRA Rules 3110 and 2010 by failing to establish and maintain adequate supervisory systems and processes for reviewing the email communications of its personnel. The findings state that RJFS failed to: (i) implement an adequate email surveillance system, (ii) devote adequate personnel and resources to the team that reviewed emails, (iii) appropriately apply email surveillance policies at branch offices using their own email servers, and (iv) periodically test the configuration and effectiveness of the system. Without admitting or denying FINRA's findings, RJFS consented to a censure and fine of \$2,000,000 and is adopting and implementing supervisory policies to address the deficiencies.
- On November 6, 2019, FINRA entered findings that RJFS, an affiliated broker-dealer, violated MSRB Rule G-27(a), (b), and (c) by failing to establish and maintain a supervisory system and establish, maintain, and enforce written supervisory procedures, reasonably designed to supervise representatives' share-class recommendations to customers of 529 savings plans during the period of January 1, 2008, through March 31, 2017. RJFS consented, without admitting or denying the findings, to the entry of a censure and agreed to pay restitution in the estimated amount of \$4,203,182 to certain 529 plan customers. As a result of RJFS's extraordinary cooperation to FINRA's investigation, this matter was resolved without a monetary fine.
- On October 20, 2022, Raymond James Financial Services, Inc. (RJFS), the affiliated broker-dealer of RJFSA, entered into a Letter of Acceptance, Waiver, and Consent (AWC) with FINRA for not reasonably supervising two registered representatives who overcharged commissions to seven institutional customers from January 2012 through April 2018 and for not having a qualified and registered principal of RJFS approving changes made to more than 7,500 orders and such unapproved changes led to customer losses, which were reimbursed. In May 2018, RJFS reported on the representatives' termination notices that they had resigned while under investigation by the firm. As of February 2020, RJFS has designated registered principals on its trade desks to review and authorize changes to account name and designation on orders. RJFS self-reported this matter to FINRA in February 2019. To settle both matters, RJFS consented to the imposition of a censure, an \$800,000 fine, restitution of \$48,574.79 plus interest, and an undertaking that within 90 days of the issuance of the AWC a senior officer and principal of RJFS will certify in writing that RJFS has completed its review of its policies, procedures and systems regarding monitoring of electronic communications and that they are reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules.
- On January 30, 2023, Raymond James and Associates, Inc. ("RJA", a dually registered broker-dealer and investment adviser), acting in its capacity as a broker-dealer and a clearing firm for Raymond James Financial Services Advisors, Inc., entered into a Letter of Acceptance, Waiver, and Consent (AWC) with FINRA for failure to accurately disclose potential conflicts of interest related to at least 1,850,000 trade confirmations between January 2014 and May 2022. The potential conflicts included the firm's execution capacity when it acted in a mixed capacity (i.e., agency, agency cross, principal, and/or riskless principal) or whether the trade was executed at an average price, or inaccurately disclosed or omitted its status as a market maker in the security. RJA agreed to the entry of findings and sanctions, including a censure and a fine in the amount of \$300,000.
- On August 29, 2024, Raymond James Financial Services, Inc. ("the Firm"), a registered broker-dealer, entered into a Letter of Acceptance, Waiver, and Consent (AWC) with FINRA for not reasonably supervising the Firm's reporting, including timeliness of reporting, of customer complaints via FINRA Rule 4530 filings and amendments to registered representatives' Forms U4 and U5 since at least January 2018. Additionally, from January 2012 to at least December 2017, the Firm, which self-reported the issue, did not reasonably supervise mutual fund purchases that the Firm's representatives made directly with mutual fund companies on behalf of Firm customers; such transactions in many cases happened outside the Firm's automated surveillance systems which were not configured to subject them to review. The Firm and FINRA conducted retrospective reviews of the direct business identified and the Firm agreed to the entry of findings and sanctions, including a censure, a fine in the amount of \$1,300,000, and restitution in the amount of \$85,554.94 plus interest.

#### New York Stock Exchange, Inc. ("NYSE")

- On May 8, 2018, the NYSE determined that Raymond James failed to report positions to the Large Options Position Report (LOPR) and inaccurately reported positions in other cases. The findings stated the Raymond James LOPR reporting violations primarily resulted from its entry of an incorrect effective date when submitting certain options positions to the LOPR and its failure to properly aggregate certain of its reportable options positions. The findings also stated that the firm failed to have a reasonable supervisory system with respect to the reporting of options positions, including a review for accuracy of LOPR submissions with respect to effective dates and accounts acting in concert.

Additionally, until November 2015, the firm lacked any written supervisory procedures with respect to the proper reporting of options positions, including systems of follow-up and review, and thereafter, failed to have adequate written supervisory procedures until January 2017. On May 8, 2018, Raymond James was censured and fined a total of \$400,000, of which \$200,000 was paid to NYSE ARCA, Inc. and the remaining amount was paid to NYSE American, LLC. Additionally, Raymond James submitted a written report confirming it had completed remediation of all the LOPR issues identified within 120 days of May 8, 2018.

- On October 19, 2018, the NYSE determined that during the period from January 1, 2014, through August 31, 2016, Raymond James violated certain provisions of the Market Access Rule for institutional counterparties for which Raymond James provides trade execution and clearing services, namely: (1) Rule 15c3-5 of the Securities Exchange Act of 1934, by failing to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial and regulatory risks of its business activity; and (2) NYSE Rule 3110 and former NYSE Rule 342, by failing to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable laws, rules, and regulations, in connection with its: (1) calculation and implementation of certain customer credit limits; (2) determination of certain erroneous order controls; and (3) conducting of annual reviews. Raymond James was censured and consented to a \$400,000 fine.

#### State

- On June 14, 2017, the State of Massachusetts alleged RJFSA failed to register an investment adviser representative who had a place of business in Massachusetts and to ensure the investment adviser representative was properly registered with the State. The State ordered RJFSA to pay a fine of \$75,000, which it paid.
- On July 10, 2023, Raymond James & Associates, Inc. and Raymond James Financial Services, Inc., each in their capacity as a registered broker-dealer, (collectively, "Raymond James") consented to a multi-state matter coordinated by the North American Securities Administrators Association ("NASAA") and led by six states. It was determined that from July 18, 2018, to July 10, 2023, Raymond James applied a minimum commission charge to certain low principal brokerage transactions which led to unreasonable commission charges to those brokerage clients and that Raymond James failed to surveil the application of the minimum commission charge to ensure that commissions were reasonable. As a result of the examination, Raymond James has updated the equity commission schedule to ensure clients are not charged commissions in excess of 5% of the principal trade value. Raymond James has consented to the entry of findings and to sanctions including censure and no less than \$8,250,000 in restitution payment (plus interest in the amount of 6%) to all affected customers. Additionally, Raymond James agreed to pay an administrative fine, further costs of investigation by the lead states, and \$75,000 to the NASAA, totaling \$4,200,000.

States and territories involved in the settlement include Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, Wisconsin, Utah, Vermont, and Virginia.

#### **Other Financial Industry Activities and Affiliations**

We are an investment adviser registered with the SEC. Your IAR may also be a registered representative of RJFS, an affiliated broker-dealer. As a registered representative of RJFS, your IAR receives additional compensation, such as commissions and/or trail fees when recommending transaction-related services to you in a brokerage account through RJFS. Registered representatives of RJFS and investment adviser representatives of RJFSA are independent contractors for employment purposes. For the portion of the RJFSA IAR population not associated with RJFS, the advisory programs and services they offer to you will be limited to the advisory programs and services described in this Brochure and other advisory programs and/or services offered in a separate RJFSA Part 2A Brochure. A copy is available, upon request, from your IAR or you may visit our public website:

<https://www.raymondjames.com/legal-disclosures>.

Our advisory agreement(s) which may include the Master Advisory Agreement requires you to open a custodial or sub-custodial account through our affiliate, RJA and authorize RJFSA to direct RJFS, as introducing broker, to allow for purchase and sale transactions in your account(s) to be directed through us, except when an OSM Manager elects to "trade away" from RJFS as introducing broker, and RJA, as clearing broker. You should consider that not all investment advisory firms generally require clients to direct execution of transactions through a specific broker-dealer. Please see the "[Brokerage Practices](#)" section for information about the OSM Manager's trading away practices and potential conflicts of interest relating to brokerage transactions.

#### **Fully-Paid Securities Lending Arrangements**

Our affiliate, RJA, offers fully-paid securities lending arrangements wherein, subject to your written consent, RJA borrows fully-paid-for securities from you and re-lends the shares to an external counterparty or to satisfy a Firm delivery obligation. The total return generated on the transaction is split between you and RJA based on the fee split schedule in the Fully Paid Lending Master Securities Agreement. You should carefully review the Fully Paid Lending Risk Disclosure Form and the Fully Paid Lending Master Securities Agreement for terms and risks associated with fully-paid lending. You may obtain both from your IAR. Not all accounts or clients qualify for this program.

RJA and/or its affiliates receives compensation in connection with the use of the loaned securities, including in connection with lending your loaned securities to other parties for use in connection with settling short sales, or for facilitating settlement of short

sales by RJA, its affiliates and/or its customers. The terms of the compensation paid to you and RJA are detailed in the Fully Paid Lending Master Securities Agreement. The compensation RJA receives is separate from, and in addition to, the advisory fee charged by RJFSA, if the transaction occurs in an advisory account. RJA has an opportunity to earn more compensation when the loaned securities are limited in supply relative to demand. The compensation RJA receives is separate from, and in addition to, any commissions or trails, if the transaction occurs in a brokerage account. If in a brokerage account, a portion of the compensation RJA receives is shared with your IAR. Due to the additional compensation the Firm receives when implementing this type of arrangement in your advisory account, the Firm may be less incentivized to recommend that you liquidate the security as the Firm will no longer receive additional compensation for the lending arrangement. This conflict is mitigated by our fiduciary responsibilities and requirement that investment decisions made on behalf of your advisory account must be in your best interests. In a brokerage account, our recommendations to you must be in your best interest based on your stated investment objectives. If an account holds these positions, RJA's compensation will increase nominally, but the security will also generate income for your account.

### Financial Incentives involving Co-branded Credit Cards

Through RJA, we offer co-branded credit cards through Elan Financial Services ("Elan"), a company within U.S. Bank. U.S. Bank, RJA, and RJFSA are separate and non-affiliated companies. If a client applies for an Elan credit card through us, RJA receives \$100 for each approved application. RJA's credit card program offers consumer and business credit cards. RJA also receives 10 basis points on the net amount consumers spend on their consumer credit cards and 15 basis points on the net amount consumers spend on their business credit cards. These payments are made to RJA by Elan on a periodic basis. The term net refers to the amount of purchases minus returns, chargebacks, and refunds. RJA does not share these payments with your IAR. Clients are not under any obligation to apply for a credit card through Elan as a condition of opening an advisory and/or brokerage account through us. For more information about our credit card program, please visit our website at <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/raymond-james-credit-card>.

### Material Business Relationships

Through RJF, we are also affiliated with broker/dealers, investment advisers, mutual funds, a bank, a trust company, limited partnerships, fund administration, retirement plan administrative and recordkeeping services providers, actuarial services providers, and insurance agencies. A chart of those material relationships and arrangements we have with advisory affiliates and other parties under common control with our Firm are provided on the next page. Following the chart is a description of the nature of associated material conflicts and how we address them.

Type of Entity	Affiliate Name	Description of Services Performed	Ownership Relationship
<b>Dual Registrant (Broker-Dealer/Investment Adviser)</b>	Raymond James & Associates, Inc. (dual registrant)	Dual licensed representatives of RJA provide brokerage services and advisory services to clients; RJA-sponsored programs are available to RJFSA advisory clients; RJA also acts as a market maker, engages in investment banking activities, and acts as custodian and/or subcustodian for client accounts	Wholly owned subsidiary of RJF
	Raymond James (USA) Ltd. ("RJLU")	SEC-registered, Canadian entity; provides discretionary and non-discretionary advisory and financial planning services to individuals, trusts, non-profits and corporations, primarily to U.S. clients. Dual licensed representatives of RJL are permitted to provide discretionary investment advisory services to U.S. clients on behalf of RJLU	Wholly owned indirect subsidiary of RJF
	Raymond James Ltd. ("RJL")	Registered representatives of RJL provide brokerage services; provides investment advisory services and products to Canadian clients	Wholly owned subsidiary of RJF
<b>Broker-Dealer(s)</b>	Raymond James Financial Services, Inc.	RJFS is an introducing broker and registered representatives of RJFS provide brokerage services to clients	Wholly owned subsidiary of RJF
<b>Investment Adviser(s)<sup>1</sup></b>	Carillon Tower Advisers, Inc.	Doing business as Raymond James Investment Management, this entity provides investment advisory services to its proprietary mutual funds, the Carillon Family of Mutual Funds, and its proprietary ETFs (for a list of fund names refer to "Investment Companies" below).	Wholly owned subsidiary of RJF
	Eagle Asset Management, Inc.	Subadviser to the Carillon Family of Mutual Funds and certain CTA proprietary ETFs; acts as an SMA Manager or Model Manager in RJA's wrap fee programs	Wholly owned subsidiary of CTA
	Scout Investments Inc.	Subadviser to the Carillon Family of Mutual Funds; also doing business as Reams Asset Management	Wholly owned subsidiary of CTA

	ClariVest Asset Management LLC	Subadviser to the Carillon Family of Mutual Funds	Wholly owned subsidiary of Eagle
	Cougar Global Investments Ltd.	Subadviser to the Carillon Family of Mutual Funds; acts as a Model Manager in RJA's wrap fee programs	Wholly owned subsidiary of Raymond James International Canada
	Chartwell Investment Partners, LLC	Subadvisor to the Carillon Family of Mutual Funds; acts as Model Manager in our wrap fee programs	Wholly owned subsidiary of CTA
<b>Bank</b>	Raymond James Bank	Provides banking and financial services to clients	Wholly owned subsidiary of RJF
	TriState Capital Bank	Program bank participant in the Raymond James cash sweep program	Wholly owned subsidiary of RJF
<b>Trust Company</b>	Raymond James Trust, N.A.	Offers personal trust services, including serving as trustee or as an agent or custodian for individual trustees	Wholly owned subsidiary of RJF
	Raymond James Trust (Canada)	Offers personal trust services, including serving as trustee or as an agent for individual trustees	Wholly owned subsidiary of RJL
	Raymond James Trust Company of New Hampshire	Acts as custodian for Raymond James's IRA accounts	Wholly owned subsidiary of RJF
<b>Insurance Agencies/Insurance Brokers</b>	Raymond James Insurance Group, Inc.	Acts as general agent in connection with the sale of disability, life and long-term care insurance, fixed, indexed and variable annuities	Wholly owned subsidiary of RJF
	Raymond James Financial Planning Ltd.	Provides insurance services and products to Canadian clients	Wholly owned subsidiary of RJL
<b>Investment Companies (Mutual Funds and Exchange Traded Funds)<sup>2</sup></b>		<b>Fund Name(s)</b>	<b>Affiliated Manager</b>
		Carillon Chartwell Real Income Fund	Chartwell
		Carillon Chartwell Mid Cap Value Fund	Chartwell
		Carillon Chartwell Short Duration High Yield Fund	Chartwell
		Carillon Chartwell Small Cap Growth Fund	Chartwell
		Carillon Chartwell Small Cap Value Fund	Chartwell
		Carillon Chartwell Small Cap Fund	Chartwell
		Carillon ClariVest Capital Appreciation Fund	ClariVest
		Carillon ClariVest International Stock Fund	ClariVest
		Carillon Eagle Growth & Income Fund	Eagle
		Carillon Eagle Mid Cap Growth Fund	Eagle
		Carillon Eagle Small Cap Growth Fund	Eagle
		Carillon Reams Core Bond Fund	Scout
		Carillon Reams Core Plus Bond Fund	Scout
		Carillon Reams Unconstrained Bond Fund	Scout
		Carillon Scout Mid Cap Fund	Scout
		RJ Eagle Vertical Income ETF	Eagle
		RJ Municipal Income ETF	Eagle
		RJ Eagle GCM Dividend Select Income ETF	Eagle
<b>Other Related Entities</b>	Carillon Fund Distributors Inc.	Principal underwriter/distributor to the Carillon Family of Mutual Funds; has selling agreements with other affiliated/unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services relating to the purchase of fund shares	Wholly owned subsidiary of Eagle

<p>The Producers Choice LLC</p>	<p>Serves as a wholesaler for several insurance companies that issue products such as immediate, fixed, fixed indexed, and registered index-linked annuities, as well as life insurance products distributed within our Firm and also to financial professionals at other broker-dealers and insurance agencies.</p> <p>Affiliated and non-affiliated registered investment advisors are supported through One Insurance Solution for RIAs, which provides annuity and life insurance solutions and support.</p>	<p>Wholly owned subsidiary of Raymond James Insurance Group, Inc.</p>
<p>Northwest Investment Consulting, Inc.</p>	<p>This entity and its subsidiaries doing business as Northwest Plan Services or NWPS, also provide retirement plan administration, actuarial, recordkeeping, and third-party administration to sponsors of company provide retirement plans.</p>	<p>Wholly owned subsidiary of RJF</p>

<sup>1</sup> Investment Advisers affiliated with us may have other third-party investment advisory arrangements and act as adviser or subadviser to third-party investment companies in addition to the funds listed above.

<sup>2</sup> Availability of mutual funds may vary over time. This list was updated as of the date of our last annual filing. For a list of currently available mutual funds, please contact your financial advisor.

## Conflicts of Interest Associated with Our Business Arrangements with Our Affiliates

Due to the relationship of these entities, conflicts of interest can arise that are not readily apparent to you. In the course of our business operations, RJFSA through our affiliates and RJF, can engage in sponsorship and other arrangements with Funds, alternative investments sponsors, UIT sponsors, annuity sponsors, Managers and other third parties to promote the distribution of investment products. These arrangements are further described in this section and in the ["Overview of our Advisory Programs"](#), ["Compensation"](#), ["Participation or Interest in Client Transactions"](#) and ["Client Referrals and Other Compensation"](#) sections.

We address these conflicts in a variety of ways, including disclosure of various conflicts in this Brochure. Our IARs are required to recommend advisory Programs, investment products, and services that are appropriate for you based upon your investment objectives, risk tolerance, financial situation, and needs. In addition, we have established a variety of restrictions, procedures, and disclosures designed to address conflicts of interest, both those arising between and among accounts as well as between third-parties and our business.

Our Firm, through our IARs, may suggest or recommend that clients use our securities account, execution, clearing, custody or other services, or the services of an affiliate. When you use or purchase our products or services or our affiliate's services or products, our Firm and our affiliates receive fees and compensation (the amount of which may vary) in connection with these products and services. Therefore, we have an incentive to recommend Raymond James investment products and services over other non-affiliated products and services available. This has the potential to, but may not necessarily, result in additional assets under management with our Firm and/or our affiliates. In no case are you under any obligation to purchase any products sold by our affiliates. The compensation received by your IAR may be greater when offering products and services to you through their different relationships with RJFSA and our affiliates.

RJFSA IARs and branch offices may use marketing or other branch names that are held out to the public. The purpose of using a branding or marketing name is for the IAR to create a brand that is specific to the individual IAR and/or branch. RJFSA branch office owners in many cases will establish and maintain an outside entity, such as a limited liability corporation, to pay for office and other business-related expenses. On a limited basis, there are third parties that maintain an ownership interest in the branch owner's outside entity. Should an arrangement like this exist, the RJFSA branch office will make separate disclosure to you of such arrangement and any potential conflicts.

In his or her separate capacity as an insurance agent, if applicable, your IAR earns commissions for recommending transaction-related services to you in your brokerage account. We have arrangements that are material to our advisory business with a related person who is an insurance wholesaler. In cases where our affiliated wholesaler, Producers Choice LLC ("Producers Choice") (who also does business as One Insurance Solutions), has facilitated a sale of an annuity, Producers Choice receives compensation in the form of wholesaling payments for insurance products from insurance companies to serve as the intermediary between our Firm and the insurance carrier and marketing products and services through our Firm. Refer to the "Important Client Information" disclosure for more information, available at <https://brokercheck.finra.org/>. Where a conflict exists in recommending the purchase of an annuity in an advisory account through us, this conflict is mitigated in that the wholesaling allowance is not shared by Producers Choice with us, RJA or your IAR.

In addition, we have arrangements that are material to our advisory business with a related person who is a bank. Your IAR and our Firm receive referral and other compensation if you elect to purchase or use certain products and services offered by or through RJ Bank. Descriptions of these compensation arrangements relating to RJ Bank's products and services and conflicts of interest associated with these programs are further described in the ["Loans and Collateral – Securities Based Lending"](#) section below and in the ["Compensation Associated with Our Cash Sweep Program"](#) section.

Please refer to your IAR's Brochure Supplement regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. The Brochure Supplement is available upon request from your financial

advisor. You may also obtain additional information regarding your IAR, such as licenses, employment history, his or her regulatory disciplinary information (if any) and whether he or she has received reportable complaints from investors from the SEC at <https://adviserinfo.sec.gov/>. Should you have any concerns regarding any of the information contained in your IAR's Brochure Supplement, you are encouraged to contact our Advisory Compliance Department at 800-237-8691, extension 75877.

## **Loans and Collateral – Securities Based Lending**

Our financial advisors have the ability to offer to you a program through RJ Bank that allows you to collateralize certain investment accounts to obtain secured loans through RJ Bank or another third-party financial institution selected by you. When you pledge assets in an account, you will enter into a loan agreement with RJ Bank where you are the borrower, and you use the cash and securities in the account as collateral for a loan and pay interest to the bank. The loan cannot be used to acquire additional securities. You are responsible for independently evaluating whether: (i) the loan is appropriate for your needs; (ii) the terms on which RJ Bank is willing to lend are acceptable; and (iii) the loan has adverse tax, investment, accounting, or other implications for you and the account.

A securities based loan is one way, among many, for you to obtain a secured loan. You are not required to use RJ Bank and may instead work directly with another financial institution of your choice to negotiate loan terms or obtain other financing arrangements. By using RJ Bank, you may or may not be limited in your ability to negotiate the most favorable loan terms when compared to another financial institution selected by you. RJ Bank receives compensation for lending against securities at market rates. The interest and additional fees related to a securities-based loan are separate from the advisory Fees charged to your account(s). Additionally, RJ Bank compensates us for the IAR's referral and for other services performed by RJA's margin department, such as, but not limited to, the monitoring of pledges securities collateral values, collateral calls, and liquidations, as needed. The additional compensation received by us and/or our affiliates, which typically is shared with your IAR, results in a conflict of interest. As an alternative, you could pledge securities held in a brokerage account through RJFS or RJA, and you would pay commissions for securities transactions instead of ongoing investment advisory Fees.

In addition, if assets in an investment account managed by a SMA or OSM Manager are used as collateral for a loan, and we are required to liquidate assets in that investment account to meet a collateral call or satisfy a repayment requirement, the SMA or OSM Manager will not have any control or discretion over which assets we select to liquidate, and the liquidation may adversely impact the SMA or OSM Manager's strategy. We will not notify the SMA or OSM Manager of the loan or our liquidation of assets in the investment account due to actions taken in connection with a loan.

Pledging assets in an investment account to secure a loan involves additional risks. You should refer to and carefully review the securities based loan agreement, loan application, any other forms required by RJ Bank, and any other forms and disclosures provided by us. You should explore this subject thoroughly with your IAR to determine whether a securities-based loan is appropriate for your needs.

## **ETF Sub-Advisory Services**

RJFSA's affiliated investment advisor, RJA, acting in the capacity of a non-discretionary investment sub-advisor, provides a list of recommended investments and weightings (the "Model Portfolio(s)") to First Trust Advisors L.P. ("First Trust"), the investment adviser to the First Trust Raymond James Multicap Growth Equity Exchange Traded Fund(s) ("FT-ETF"), ticker symbol RJMG. While RJA supplies the Model Portfolio, First Trust is ultimately responsible for the investment decisions of the FT-ETF and the members of First Trust's investment committee serve as the Fund's portfolio manager. Pursuant to a sub-advisory agreement with First Trust, RJA will receive a sub-advisory fee equal to 0.30% of the Fund's average daily net assets for the provision of the Model Portfolio. These sub-advisory fees are paid to RJA out of First Trust's management fee of the FT-ETF.

The Multicap Growth Equity Model Portfolio provided to First Trust by RJA is also available through the Raymond James Research Portfolio (RJRP) program, as described in the RJA Wrap Fee Brochure, which is available upon request from your financial advisor. While the underlying security holdings in the Multicap Growth Equity RJRP portfolio and the FT-ETF may be the same, it is important to note that there will be a variance in performance between the RJRP portfolio and the FT-ETF. More specifically, variances in performance can be a result of difference in the timing of trades executed by RJA and by First Trust and due to potential difference in portfolio holdings should First Trust exercise its discretion to change any of the specific model portfolio trade recommendations provided by RJA. To address inherent conflicts of interest relating to trading practices and the timing of model changes, RJA has adopted and implemented policies and procedures, including brokerage and trade allocation policies and procedures, to address conflicts associated with managing multiple strategies for multiple clients.

The implementation of the Model Portfolio in the FT-ETF allows a broader range of clients to access the corresponding strategy being implemented in the RJRP Program since there is not a minimum investment required when buying the FT-ETF shares individually on the Exchange. If you are considering investing \$100,000, the account minimum for the RJRP Program, or more in the FT-ETF, you should discuss with your financial advisor which investment option may be more appropriate for you since the advisory fees paid by you in the RJRP Program could be higher or lower than the fees you pay when separately purchasing the FT-ETF in an Ambassador or brokerage account. The FT-ETF has other fees and expenses, as described in its prospectus, that you will pay in addition to the Ambassador program fee or brokerage account commission. The level of services you require from your financial advisor should also be factored into your consideration when making a purchase of the FT-ETF in addition to your individual financial situation and investment objectives.

The FT-ETF will not be available for purchase or to hold in Ambassador retirement accounts. For more details about the FT-ETF and its internal expenses that are not part of your advisory fee, please refer to the FT-ETF's prospectus which is available

through your financial advisor.

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

### **Code of Ethics**

We have adopted a Code of Ethics ("the Code") pursuant to Rule 204A-1 under the Advisers Act. The Code reflects standards of conduct, which govern our fiduciary obligations associated with the provision of investment advice and addresses conflicts of interest between our advisory personnel and our advisory clients. The Code requires that our access persons (defined as those who provide investment advice and/or have access to certain related information) comply with applicable federal securities laws, including reporting violations of the Code and reporting their personal transactions and holdings as required by regulation. Additionally, certain access persons are subject to pre-clearance requirements on personal trades. We monitor the personal securities transactions of our access persons and prohibit them from engaging in deceptive conduct in connection with the purchase or sale of securities for advisory accounts. The Code also requires that all access persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts.

Additionally, we have established and maintain policies in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These policies outline a Firm-wide statement on compliance with insider trading policies that are designed to prevent and detect any misuse of non-public information by the Firm, our IARs, and our employees. These policies have been distributed to all IARs and employees of the Firm. The policies include provisions for defining "insider" material, monitoring associated persons and securities accounts, restricting access to affiliate's sensitive material, and restrictions on trading.

You may request a copy of our Code by contacting the Advisory Compliance Department at 800-237-8691, extension 75877.

### **Personal Trading**

Our Firm and/or our affiliates may act as general/managing partners of partnerships (both public and private) for which our Firm and our affiliated broker-dealers' clients may from time to time be solicited as limited partners. We do not invest assets of our advisory clients' accounts in these limited partnerships. Officers and employees of RJF and its subsidiaries may have investment interests in these partnerships. Directors, principal executive officers and employees of our Firm and our affiliates may buy, sell, or hold, a position in securities, for their own related account, identical to the securities recommended to you. It is our policy that no individual will put his or her interest before your interests. Our Firm, IARs and employees may not trade ahead of any client or trade in a way that would cause our Firm, IARs and employees to obtain a better price than a client would obtain.

In order to avoid potential conflicts of interest that could be created by personal trading among RJFSA access persons, access persons who maintain accounts outside of the Firm must provide quarterly reports of their personal transactions within 30 days of the end of each calendar quarter, which may consist of brokerage statements for all accounts in which they have a beneficial interest, to the Chief Compliance Officer or designee. Alternately, access persons may direct their brokers to provide trading activity data electronically for all personal securities transactions in which they have a beneficial ownership interest.

Our access persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that we or a related person recommends to clients. Our access persons must refrain from participating in trading activity that is in conflict with the policies established in the Code, such as front running or trading ahead. The price paid or received by a client account for any security should not be affected by a buying or selling interest on the part of an access person, or otherwise result in an inappropriate advantage to the access person.

### **Advice Provided to One or More Clients May Conflict**

Our Firm and your IAR perform advisory and/or brokerage services for various other clients. As a result of differences in client objectives, stated goals, strategies, and risk tolerance, our Firm and your IAR may provide advice or take actions for those other clients that differ from the advice given to you. The timing or nature of any action taken for the account may also be different.

### **Participation or Interest in Client Transactions**

This section describes the various ways that we can be viewed as participating or having an interest in client transactions. Some of these activities and associated conflicts of interest arising from these activities are further described in this section.

We may trade our advisory clients' assets in the securities of companies which our affiliate RJA's Investment Banking division is advising, creating an appearance of a conflict of interest. To mitigate the conflict of interest, RJA's Investment Banking division has implemented information barriers, policies and procedures restricting the dissemination of non-public information in connection with these companies to parties outside the Investment Banking division.

### **Principal Transactions**

A principal transaction is a transaction where we, acting for our own account or the account of an affiliate, buy a security from, or sell a security to, the account of an advisory client in a transaction in which we are acting as investment adviser. Principal transactions pose conflicts of interest because we, as investment adviser, are recommending a transaction to which we or an affiliate is also a party, and therefore have a financial incentive to sell you a security that we or an affiliate might not otherwise be able to sell or to get more favorable pricing for ourselves or our affiliate than would otherwise be obtainable in an arm's length transaction. Raymond James generally does not engage in principal trading in advisory accounts. However, a principal transaction can occur in the following two contexts: (i) certain syndicated offerings, and (ii) liquidations of fractional shares, as

further described below.

RJA may engage in principal transactions in certain syndicated public offerings in which RJA or its affiliate acts as underwriter or selling group member ("Underwriter") of newly issued securities ("new issues") or resales by selling stockholders of previously unregistered securities ("secondary"). As an Underwriter, RJA acts as principal in selling the new issue or secondary securities to you. In accordance with Section 206(3) of the Advisers Act, when engaging in a new issue or secondary principal transaction as an investment adviser, we will provide the client with a consent form, describing the conflicts, for the client to sign prior to settlement of the principal transaction. This form is designed to ensure that clients are aware of the conflicts arising from such a principal trade in order to give their informed consent. New issues and secondaries in which RJA acts as principal are currently not eligible to be purchased or held in AMS Managed Accounts; and, therefore, principal transactions in such securities only occur in the IAR Managed Ambassador Program. However, principal transactions, including new issues and secondaries, are prohibited (not eligible for purchase) in all advisory retirement accounts (ERISA plans/accounts and IRAs).

A principal transaction can also occur as a matter of operation in order to facilitate the liquidation of fractional shares in a client's account. Because currently only whole shares can be executed in the open market, when a client's account holds a position that includes fractional shares and that position is to be liquidated (because for example, client determines to liquidate, IAR recommends liquidation, or client is closing the account), we sell any whole shares on behalf of the client directly to the market and then buy the client's fractional shares into a firm account at the following day's market opening price. This purchase by us of the fractional shares from the client's advisory account to affect the liquidation of the entire position results in a principal transaction. We then sell the fractional share at a future date once we can make a whole share. Because of the difference in timing between the sale of whole shares from your account and the purchase of fractional shares by us from your account there can be a price differential (more or less) between (x) what you receive from the market for the whole shares and (y) the proportional amount you receive from us for the fractional shares. There can also be a price differential (more or less) between (y) the proportional amount you receive from us for the fractional shares and (z) the proportional amount of what we ultimately sell a whole share for on the market.

We have developed policies and procedures which address conflicts of interest related to principal transactions.

### **Underwriting/Participation in Initial Public Offerings/ Syndicate Offerings**

We may purchase securities and other investments for client accounts during a syndicate or other offering of securities and other investments, in which we or an affiliated broker-dealer acts as a manager, co-manager, underwriter or placement agent, and/or selling group member or distribution participant. Under these circumstances, RJA or an affiliated broker-dealer, RJFS may receive compensation, or other benefit in the form of commissions, markup or markdown, underwriting or management fees, selling concessions or other compensation. In connection with the syndicate offering, our Firm and our IARs receive compensation related to the purchase of a syndicate offering when we act as a distribution participant. In Ambassador accounts, purchases in these distributions are only permitted if you consent to the transaction. We and our IARs do not receive an advisory fee on a syndicate offering asset held in an Ambassador account during the time period that the asset is not fee eligible. Unless otherwise agreed to by you and our Firm, primary market distributions purchased through us are excluded from Ambassador advisory fees for four quarters depending on the account type, from the trade date where commissions were incurred.

Additionally, we restrict the purchase of initial public offerings and other new issues (primary market distributions) in certain advisory programs offered through RJA if RJA acts as a distribution participant. Specifically, where an investment manager has been delegated investment discretion, primary market distributions may not be purchased through us if RJA participates in the distribution. However, the investment manager may purchase primary market distributions if purchased through another firm participating in the distribution.

## **Review of Accounts**

### **General Reviews for Ambassador, OSM Manager, and AMS Managed Account Programs**

Your IAR regularly reviews your account to confirm that the investment strategy you've chosen remains aligned with your objectives and, depending on account type, to identify situations that may require adjustments to individual investments or your overall portfolio. These reviews typically include factors such as suitability, performance, asset allocation, changes in objectives or risk tolerance, concentration, restricted products, and any financial planning or consulting services previously provided. At least once a year, your IAR conducts a household-level review of your advisory relationship and documents the services provided to you.

In addition, the Firm's supervisory teams provide additional oversight. This monitoring may include, but is not limited to, reviewing an IAR, assessing the adequacy and appropriateness of advisory services provided, and reviewing certain advisory account households to confirm that documentation of advisory services is being maintained. In AMS Managed Accounts, additional reviews of Account holdings are conducted by AMS, as further described below.

Since your investment goals and financial circumstances may change over time, you are encouraged to review your investments with your IAR at least annually. You are under no obligation to use any specific product, advisory service, or investment strategy. For more information regarding this topic, you may wish to review the "Your Rights and Responsibilities as a Raymond James Client" section within your Welcome Guide, provided to you upon opening your account with us. A current version is available upon request from your IAR or you may visit our public website:

<https://www.raymondjames.com/legal-disclosures/-/media/rj/dotcom/files/legal-disclosures/rjfs.pdf>.

## **Review Triggers**

The timing and nature of additional account reviews are dictated by a variety of factors. Such factors include the following: deposits or withdrawals of cash from an account; a determination to change the cash level of an account; the allocation of a block of a particular security purchased for, or sold from, a particular discipline/strategy; your request for tax-loss selling; your directive to refrain from purchasing a particular security or class of securities in your account; your request for information regarding the performance or structure of an account; option maturity dates; interest rate changes; changes in the list of securities approved for purchase for a particular discipline/strategy; your pledge of the assets of an account as collateral security; and requirements imposed by court order or regulatory decree (divorce decree, tax lien).

## **Review of AMS Managed Accounts**

AMS performs ongoing reviews of AMS Managed accounts offered through our affiliate RJA to ensure that clients with the same investment discipline/strategy follow the same model or target allocation and that reasonable investment restrictions/mandates are honored. These reviews include an analysis of accounts with high or low cash balances, security cross references (shows all portfolios which hold a specified security), asset allocation drift, corporate actions, and tax lot comparisons between trading, performance, and other support systems.

AMS's Manager Research, Trading, and Client Services advisory personnel periodically review accounts for performance dispersion (which measures the spread of annual returns of individual portfolios within a composite) due to the timing of a particular account's inception or as the result of mispriced or unpriced securities. These reviewers are not typically assigned a specific number of accounts to review. They may review some or all accounts in a particular advisory Program or investment discipline, depending on the nature of the account review.

## **Reports and Account Statements**

You will receive quarterly account statements detailing your account's securities and other investment holdings, cash balances, dividend and interest receipts, purchases and sales, contributions, distributions, and realized and unrealized gains or losses associated with securities and other investment transactions.

We urge you to review and compare all account statements and other reports provided by us and outside custodians (if applicable). If your account assets are not held by RJA, the prices shown on your account statements provided by the custodian may be different from the prices shown on statements and reports provided by our firm or RJA. You should immediately inform us of any discrepancy noted between statements provided by the custodian, if applicable, and statements or reports provided by us. Discrepancies may occur because differences in valuation sources (pricing vendors) or reporting dates or methodologies (trade date versus settlement date, long or short margin balances), accrual methods of interest and dividends and other factors. You should carefully review those account statements and compare them with any statements or reports provided by us.

## **Client Referrals and Other Compensation**

From time to time, our Firm and our IARs receive client referrals from unaffiliated third parties in exchange for compensation to that third-party (each a "referral arrangement"). Any referral arrangement entered into by our Firm for the solicitation of advisory clients by a third-party that constitutes a "testimonial" or "endorsement" agreement are in accordance with Rule 206(4)-1 (the "Marketing Rule") under the Advisers Act. Under a referral agreement, a promoter will receive compensation in the form of a percentage of advisory fees received by the Firm from the referred client. The details of the particular referral arrangement and a description of the compensation paid to the promoter will be disclosed to each referred client through a separate written disclosure.

## **Professional Partners Program**

The Firm has an established referral arrangement program called the Professional Partners Program to encourage third-party professionals and firms ("professional partners") to refer clients to us. Under the Professional Partners Program agreement, the professional partner receives a portion of the advisory fees paid to the Firm by the referred client, provided that the professional partner adheres to all requirements of the agreement, including providing appropriate disclosures to the referred client with regard to (i) whether the referral constitutes a "testimonial" (i.e., the professional partner is also a RJ client) or an "endorsement" (i.e., the professional partner is not also a client); (ii) that compensation was provided and a description of the compensation arrangement; (iii) any other material conflicts that the professional partner may have.

You should be aware that a promoter for RJFSA who receives compensation for a testimonial or endorsement is inherently conflicted as the promoter generally only receives compensation upon the prospect becoming a client of the Firm. Further, clients should understand that a referral made to our financial advisor by a promoter does not obligate the client to open an account through our Firm or one of our affiliates. We address this conflict of interest by disclosing to you the terms of the referral relationship and related referral compensation. Our participation in these referral arrangements does not diminish our fiduciary obligations to our clients.

## **Networking Arrangements with Financial Institutions and Other Financial Institutions Referrals**

RJFSA and RJFS, RJFSA's broker-dealer affiliate, enter into networking arrangements with unaffiliated financial institutions, such as banks and credit unions. In these arrangements, the financial institution enters into an agreement with RJFS and/or RJFSA for joint marketing, client referrals, use of the financial institution's premises and facilities, and other administrative and back-office support. If a referred client opens an advisory account with us the financial institution may receive compensation from

us of up to 100% of advisory fees based on the amount of compensation agreed to in the applicable networking agreement. This compensation is generally paid on a monthly basis to the financial institution. Our customers are not charged any additional fees by us based on financial institution's compensation from RJFSA/RJFS. The compensation shared with the financial institution is our responsibility, not the clients' responsibility.

In some of these arrangements, our firm and/or our affiliates services are provided directly on the premises of the financial institution, and your financial advisor plays multiple roles that can include not only acting as a representative of RJFSA and/or RJFS but also as an employee or independent contractor of the financial institution; however, brokerage and advisory services provided by your financial advisor are being offered through RJFSA and/or RJFS, respectively, and not by your financial institution. Neither RJFSA nor RJFS, its broker-dealer affiliate, are a bank, and unless otherwise specified for certain services or products, RJ Bank's services and products purchased through RJFS or held at RJA, are not insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), or other financial institution insurance, are not deposits or other obligations of and are not guaranteed by the financial institution, and are subject to investment risks, including possible loss of principal invested.

As part of the networking arrangement, the financial institution and your IAR have separately agreed to a compensation formula for the IAR's provision of services. In such cases, RJFSA does not typically provide direct compensation to your IAR for these services. The IAR is generally compensated directly through the financial institution or, in certain rarer circumstances, the IAR is compensated by RJFS and/or RJFSA at the direction of the institution. In either scenario, compensation is based on a portion of its compensation from RJFS/RJFSA; in these relationships, the financial institution generally receives 75% to 100% of the investment advisory fees subject to the networking arrangement; we keep the balance and charge the financial institution or the IAR for our other administrative fees and costs. Your financial advisor's compensation may or may not relate directly to the amount of fees and commissions paid by Raymond James to your financial institution. RJFSA may provide the financial institution with other compensation that is routinely provided to RJFSA IARs not subject to networking agreements, such as forgivable loans and other non-cash compensation. Based on compliance with applicable law and its internal policies, the financial institution is required to put limitations on the amount of fees and commissions that can be shared with its personnel who are not also representatives of RJFSA.

RJFSA also has a Financial Institution referral program that works similarly to the Professional Partners Program described above but with banks and credit unions as the referring party. To the extent you become a client of RJFSA as the result of one of these referrals, the details of the particular referral arrangement and a description of the compensation paid to the promoter will be disclosed to you through a separate written disclosure. We provide compensation directly to the financial advisor in accordance with our compensation agreement with that financial advisor and you will receive disclosure describing the referral arrangement and compensation specifics.

#### Society for Human Resource Management ("SHRM")

RJFSA and the Society for Human Resource Management ("SHRM") have entered into a marketing arrangement under which RJFSA will be given priority booth and brand placement at SHRM conferences and the names and contact information of attendees at SHRM conferences. In addition, SHRM and RJFSA will co-author and brand certain marketing materials. In exchange for the marketing benefits listed above, we will pay SHRM an annual flat fee.

RJFSA IARs may attempt to contact conference attendees based on attendee information received from SHRM for the purpose of marketing RJFSA's services. SHRM and RJFSA are not affiliated, and SHRM is not authorized to provide investment advice on behalf of RJFSA or to act for or bind RJFSA. To the extent a conference attendee becomes an RJFSA advisory client, such services will be provided pursuant to an advisory agreement with RJFSA. No investment advisory agreement with RJFSA will become effective until accepted by RJFSA.

#### Referral Arrangements with and among Affiliates

From time to time, our Firm and our IARs may enter into other types of referral arrangements, including arrangements with our affiliates or among financial advisors within a singular division or entity. These arrangements are also conducted in accordance with the Marketing Rule, as applicable, and the Advisers Act generally and any material conflict of interest created by any such arrangement will be disclosed to any solicited or referred client.

Our Firm and our IARs may refer certain potential clients to one of our Canadian affiliates (RJL, RJFP (insurance agency/broker), and/or RJLU) and receive compensation in the form of a referral fee for accounts opened as a result of the referral. Clients will be required to sign a referral arrangement disclosure form which details the relationship between the entities and the payment of the referral fee to us and our IAR. The receipt of a referral fee creates a conflict of interest as our Firm and our IAR receive additional compensation if we refer a potential client to a Canadian affiliate and that client becomes an advisory client of our affiliate.

The Institutional Account Participation Program ("IAPP") was established to pay referral fees to our IARs that refer institutional clients to our affiliate, Raymond James Investment Management and/or its subsidiary investment advisers. The referral fee to our IAR is paid as a percentage of the management fee earned by either Raymond James Investment Management and/or its subsidiary investment advisers and is paid in accordance with the Marketing Rule with regard to endorsements made by an affiliated person.

Certain divisions of RJA offering specialized services may have internal arrangements that provide for shared compensation, directly or indirectly, amongst financial advisors, for the referral of clients to one or more other financial advisors. Such referred clients could also include brokerage clients.

IARs are eligible to receive referral fees for referring eligible institutional clients and/or certain business to the Raymond James Investment Banking or Public Financing departments, to third parties or for assisting others in developing new business. For eligible investment banking referrals, referring parties will receive compensation as a percentage of net income earned by investment banking. For eligible public finance referrals, a financial advisor may be compensated based on a percentage of certain fees received by the Public Finance Department.

RJFSA offered a program known as Eagle Direct, in which, financial advisors referred clients to an affiliated entity, Eagle, who provided investment management services. Eagle is the investment adviser in the Eagle Direct program and manages these accounts on a discretionary basis. RJFSA is not a sponsor or investment adviser to this program. In 2004, the Eagle Direct program ceased to be available to prospective clients, but Eagle continues to manage certain Eagle Direct accounts under the pre-existing investment management agreement. In the Eagle Direct program, RJFSA and your IAR do not provide advisory services, nor do they manage your account.

Clients in the Eagle Direct program instruct the investment adviser, Eagle, to direct the execution of transactions relating to your portfolio through RJFSA. RJFSA and your IAR are compensated for referring program assets to Eagle as a part of a directed brokerage arrangement. RJFSA shares a portion of the transaction fee with the IAR designated in the Eagle Direct investment management agreement. Eagle does not use RJFS, the introducing broker-dealer for trade execution in those instances involving fixed income transactions where Eagle determines that another broker-dealer will provide more favorable execution for the client's account taking into consideration the additional cost to the client.

#### Referral Arrangements to Unaffiliated Third Parties

In limited circumstances, the Firm will approve an IAR ("introducing advisor") to refer clients to an unaffiliated third-party service provider ("provider") that specializes in services not available through the Firm. These services could include education and advice related to Employee Stock Ownership Plans or advice for 1042 Qualified Replacement Property strategies. We and our introducing advisor will not be involved with the services offered by the provider(s).

Additionally, the introducing advisor may receive referrals from other RJA and RJFS/RJFSA IARs who have clients that may benefit from the services of one or both providers. When the introducing advisor refers clients to either aforementioned provider, the introducing advisor may receive compensation from the provider for the referral. If compensation is received, the introducing advisor will share a portion of the referral compensation with any other referring RJA and RJFS/RJFSA IAR.

These arrangements can create a conflict of interest as either the Firm or the IAR may be incentivized to make referrals to generate greater compensation. The details of the particular referral arrangement and a description of the compensation paid to us will be disclosed to each referred client through a separate written disclosure.

## **Financial Information**

We have no financial commitment that impairs our ability to meet contractual commitments to you and have not been the subject of a bankruptcy proceeding. We do not require prepayment of fees of more than \$1,200, per client, and six months or more in advance.