

# About our fees, charges and other compensation—general

At Santander Investment Services (“SIS” or “the firm”), a division of Santander Securities LLC (“SLLC”), it is our goal to make sure our clients are informed about the costs of the various investment products and services that we offer. To help us achieve that goal, we are publishing this overview of our fees and how we generate revenue. This publication helps us ensure we are Simple. Personal. Fair.

## Brokerage and advisory services

As a SIS client, you are able to benefit from a broad selection of services and resources, whether we serve you as a broker-dealer, investment advisor or both. While there are similarities between the brokerage and advisory services we provide, there are important differences, including the pricing structures for these services. For detailed information regarding the distinctions between brokerage and advisory services, please visit our website at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures). This information is also included in the disclosure materials we provide to you when you open an account(s) with SIS.

**Brokerage relationships generate transaction-based compensation.** In brokerage relationships, investors pay transaction-based fees associated with the purchase and sale of individual securities, mutual funds, annuities and other brokered investment products. These fees include commissions, mark-ups and mark-downs, transaction fees, loads, and sales charges. Compensation to SIS includes commissions, sales concessions, transaction fees, sales charges or expenses that are embedded in the purchase price as well as cash or non-cash compensation from third parties in some cases.

**Advisory relationships have fee-based compensation.** In advisory relationships clients pay a fee based on the value of the assets in the account according to an investment advisory program agreement.

**Pricing of products and services.** Clients purchase our products and services in either transaction-based or fee-based accounts, or a combination of both.

## Factors that affect pricing.

It is difficult to compare transaction-based and fee-based options solely on the basis of price. You may pay more or less in a fee-based program than you would pay if you purchased the products and services separately in a transaction-based account. The costs of either type of account depend on a number of factors, including:

- Product and service preferences
- Size and value of your account(s)
- Mix of products you hold
- Frequency with which you trade
- Administrative or management fees associated with the products or services you purchase

Please consider the costs and services associated with each option carefully and speak with your Financial Advisor about which approach may be most appropriate for you.

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## Sources of revenue

Our firm earns revenue from our clients, from our affiliates, and, for some products and services, from third parties, including product vendors. SIS also receives compensation as a result of intercompany profit-sharing and servicing agreements.

### Revenue received from clients.

In general, our firm, and our affiliates, receive revenue from clients in the following ways:

- Commissions from sales charges, loads or fees charged to clients in connection with the purchase or sale of investment products
- Asset-based and other fees for our investment advisory programs and services
- Interest on margin and other loans
- Net income from amounts earned on deposits at our affiliated bank less interest paid to clients
- Administrative fees such as account maintenance fees

### Revenue from third parties (including affiliates)

In addition to revenue that we receive from clients, SIS earns revenue from third parties and affiliates in the following ways:

- Insurance companies pay us for offering and placing their products, and many of them also pay us for marketing support, known as revenue sharing, which is based on our total sales of and/or total client assets in their products
- Companies that issue investment products (e.g., mutual funds, insurance companies, investment advisers and other third parties) pay for educational programs and seminars for employees
- Our affiliated bank pays us fees for servicing the bank deposit sweep program
- Affiliate lenders pay us fees for various loan servicing, collateral monitoring and marketing services. These fees can be in the form of shared revenue between affiliates
- Third party vendors pay us fees or share revenue related to interest on margin and other loans

Additional information regarding revenue sharing for annuities can be found at

[www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

### Revenue to affiliates.

Our Financial Advisors offer brokerage and advisory services on the premises of our affiliate, Santander Bank, N.A. ("SBNA"). SIS has a Networking Agreement with SBNA for joint marketing under which SIS shares compensation with our affiliate, SBNA, including a portion of the brokerage commissions and fees our Financial Advisors and firm generates. SIS typically shares with SBNA a portion of the overall revenue generated from commissions, fees and ongoing trail payments that SIS receives in connection with the investments.

## Financial Advisor Compensation

In general, we pay our Financial Advisors cash compensation consisting of four components: a guaranteed monthly minimum draw required by applicable law, production payout if it exceeds the monthly minimum draw a net asset growth payment and a deposit acquisition referral payout. The production payout is a percentage (called a payout or grid rate) of the product-related revenue (called grid revenue credit, or GRC) that each Financial Advisor generates during that month

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with respect to the clients he or she serves. The production payout is also product-related, paying a higher percentage for certain products over others. Financial Advisors are also paid a production payout rate starting at 18% for clients with less than \$100,000 in AUM at SIS. Grid revenue credit may vary from actual revenue generated by the firm based on maximum payouts and other adjustments to upfront credits. The payout rate, or grid rate, is generally based on production levels and may range from 18% – 53%.

We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion.

For our Investment Advisory Programs (asset-based fee programs), grid revenue credit is calculated based on the assets deposited within the account multiplied by a basis point. The basis points may be reduced for accounts priced below certain thresholds; this creates an incentive for Financial Advisors to not reduce pricing below those thresholds. Advisory accounts in relationships with assets over certain thresholds may have customized pricing and payouts as approved by the firm. In addition, our Financial Advisors are eligible to receive grid revenue credit based on the total assets in your advisory account(s).

On brokerage assets, our Financial Advisors earn a pass through of the revenue generated from these products as part of their monthly grid revenue credit. On Investment Advisory assets, our Financial Advisors receive credit based on their book of business at the end of the month times a basis point. Investment Advisory assets are generally not eligible for AUM grid revenue credit until month 13 after account funding.

### Recruitment compensation.

In general, if your Financial Advisor is joining SIS from another firm, you should discuss the reasons your Financial Advisor decided to change firms and any costs or changes in services you would incur by transferring your accounts to SIS.

SIS pays Financial Advisors financial incentives when they join and on an ongoing basis.

These payments include salary guarantees, a specific guaranteed grid revenue rate, and deferred compensation that are contingent on your Financial Advisor’s continued employment. Therefore, even if the fees you pay at SIS remain the same or are less, the transfer of your assets to SIS contributes to your Financial Advisor’s ability to meet such targets and to receive additional compensation even if not directly related to your account or the fees you pay to us.

This compensation creates a conflict of interest, and an incentive for your Financial Advisor to recommend the transfer of your account assets to SIS. You should carefully consider whether your Financial Advisor’s advice is aligned with your investment strategy and goals.

### Compensation from the purchase and sale of investment products.

In general, our Financial Advisors are compensated from the following sources of revenue:

- Commissions charged to clients in connection with the purchase, or sale, of equities, fixed income products and other investment products
- Asset-based fees and hard-dollar fees charged in connection with our investment advisory programs and financial planning services
- Trails, sales loads, commissions and 12b-1 fees for various financial products such as mutual funds, insurance, and annuities

### Non-cash compensation.

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As provided by the applicable FINRA Conduct Rules, SIS and its Financial Advisors may receive non-cash compensation from its approved product sponsors. SIS has developed policies and procedures to reasonably limit the potential “conflicts of interest” that occurs when the Firm or one of its Financial Advisors receive such compensation. Such non-cash compensation is limited to the following:

- Business entertainment which includes, but is not limited to, an occasional meal, tickets or other entertainment of reasonable and customary value. To mitigate the potential “conflict of interest” SIS’s policy caps the number events a Financial Advisor can attend during any 12-month period.
- Sponsorship of educational or training events (which include events held by the Firm for the education of its Financial Advisors) or payment of expenses related to training and education of employees, which can (and often do) include a non-training element of the event
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by the firm for training or recordkeeping purposes

The receipt of cash and non-cash compensation from sources other than clients, and the differences in which we compensate Financial Advisors for the products we offer, create an incentive for Financial Advisors to recommend certain products over others. We address these conflicts of interest by maintaining policies and procedures on the suitability and supervision of the products and services we offer to you, and by disclosing our practices to ensure you make a fully informed decision.

## About our fees, charges and other compensation—by product

The following sections offer an overview of the compensation SIS and our Financial Advisors receive for the wide variety of products and services that our clients typically purchase in a brokerage or advisory account with SIS. Some of this compensation is paid to SIS directly by clients and other compensation is paid to SIS by third parties. We provide specific fees or ranges depending on the product. If you believe that a product or service we provide is not covered in this guide, please contact your Financial Advisor.

Financial Advisors receive compensation in the form of direct payouts and credits toward bonuses and/or awards in connection with the products described below except where otherwise noted.

### Annuities

#### Fixed, fixed indexed, index linked, single premium immediate and deferred income annuities

##### Description:

*Fixed annuities* are contracts issued by insurance companies that guarantee a fixed interest rate for a specified period of time. The principal investment is protected from losses in down markets, subject to the solvency of the issuer, while gains add to the annuity’s returns.

*Fixed indexed annuities* are contracts issued by insurance companies where the returns are based upon the performance of a market index, such as the S&P 500. The principal investment is protected from losses in down markets, subject to the solvency of the issuer, while gains add to the annuity’s returns.

*Index-linked annuities* are similar to fixed index annuities whereby the crediting methodology is based upon the performance of a market index, such as the S&P 500, but offers only limited downside protection on the principal investment.

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*Single premium immediate annuities* are contracts issued by insurance companies that are purchased by the client with a single investment for which income payments begin within one year of the contract date.

*Deferred income annuities* are contracts issued by insurance companies that are purchased by the client with a single investment or multiple investments for which income payments are deferred until an agreed upon date in the future.

**Fees and charges paid directly by clients:** Typically, *fixed, fixed indexed, index-linked, single premium immediate* and *deferred income annuities* do not charge separate fees or expenses to the account owner. The insurance company's costs are built into the interest rate paid on the contract. However, depending on the terms of the annuity, you can pay additional fees for any optional riders selected. Optional riders are provisions added to an annuity contract. Rider fees are generally deducted from the annuity contract value. If the annuity is surrendered before a designated period of time, the client will generally have to pay the insurance company a surrender fee specified in the contract, which is reduced over time and generally lasts 3 – 10 years. All amounts payable to the insurance company are disclosed in the annuity contract.

**Compensation SIS receives from third parties:** SIS receives commissions for the sale of an annuity from the insurance company issuing the annuity. The client does not pay SIS directly.

Insurance companies pay SIS:

- A commission in the first year, and
- Trailing (ongoing) commissions, if applicable, for each year the client owns the contract.
- The amount of compensation that SIS receives can vary depending upon, among other factors: (i) the surrender period of the annuity; (ii) the age of the client; and/or (iii) the amount invested in the annuity.
- For *fixed annuities*, the first-year commission is usually from 1.00% to 4.00% of the client's initial investment. Certain fixed annuities with long-term care insurance benefits (sometimes known as "hybrid products") pay a first-year commission from 2.00% to 4.00% of the client's initial investment, with an annual trailing commission from 0.00% to 0.50% of the total value of the annuity assets.
- For *fixed indexed* and *index-linked annuities*, the first-year commission is usually from 2.00% to 5.00% of the client's initial investment, and has a trailing commission ranging from 0.00% to 0.25%.
- For *immediate annuities*, the first-year commission is usually from 1.50% to 4.50% of the client's initial investment, and usually has no annual trailing commission.
- SIS receives revenue sharing on new annuity sales. SIS receives 0.00% to 0.25% of the initial premium amount on the sale of *fixed deferred annuities, fixed index annuities, index-linked annuities, single premium immediate annuities* and *deferred income annuities*.

**Financial Advisor compensation:** Financial Advisors receive a portion of the commissions paid to SIS by the insurance companies based on their applicable grid rate. Financial Advisors receive a commission of 0.75% to 4.00% to their grid. These commissions consist of the following:

- **Transactional Revenue:** Financial Advisors receive compensation from SIS for client purchases of annuities. This compensation varies among different product types, annuity types, lengths of terms and may also vary depending on the age of the customer.

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- **Trails:** Certain annuity companies will pay an annual “trail”, or ongoing commission, to Financial Advisors. This trail payment will be each year that the customer retains the annuity contract. Due to the variability of the amount of this trail and considering that not all annuity companies pay a trail or may not pay a trail for all of their products offered at SIS, this payment presents a conflict of interest. Financial Advisors are incentivized differently to sell different products.

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## Variable annuities

**Description:** Variable annuities are contracts issued by insurance companies into which the buyer makes a lump- sum payment or series of payments. In return, the insurer agrees to make periodic payments beginning immediately or at some future date. The client’s premiums are paid to the issuing insurance company. At the client’s direction, the insurer allocates the client’s premium payments to investment options, called sub- accounts (which are similar to mutual funds) or directly into the general account of the insurance company that manages the portfolios. The value of the account during the accumulation phase and the payments after annuitization vary, depending on the performance of the investment options chosen.

**Fees and charges paid directly by clients:** Clients purchase the annuity and, depending on the terms of the annuity, pay applicable annual fees as follows:

- **Mortality risk and expense charge (“M&E”):** This is a yearly charge that compensates the insurance company for insurance risks it assumes under the annuity contract. The charge can be from 0.00% to 1.30% of the annual total account value.
- **Administrative fee and annual maintenance fee:** This yearly charge covers recordkeeping and other administrative expenses. This may be charged as a flat account maintenance fee (typically ranging from \$25 or \$50 per year) or as a percentage of the account value (typically in the range of 0.15% per year). Annual maintenance fees are not generally charged when the contract value reaches a specified level of value, such as \$50,000 or \$100,000. The annuity may charge both types of fees.
- **Investment management fees and expenses:** These fees and expenses are paid to the firm that manages the investment portfolios and may include affiliates of the insurance company. These vary by investment manager.
- **Optional riders:** Optional riders are provisions that may be added to an annuity contract. Annual fees are generally deducted from the annuity contract value. The client will be charged additional fees if they select optional contract features, such as a stepped-up death benefit or a living benefit. The fees for some benefits may continue after the optional feature ceases to provide a benefit.
- **Contingent Deferred Sales Charge (“CDSC” or “surrender charge”):** If you withdraw money from a variable annuity within a certain period after a purchase payment (typically within seven years), the insurance company usually will assess a “surrender charge,” which is a type of sales charge. Generally, the surrender charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the “surrender period”. The surrender period typically starts when the client makes an investment (this can be the initial

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investment or any additional payments the client makes to the contract). Most variable annuity contracts allow for annual CDSC free withdrawals up to typically 10% or to satisfy required minimum distributions. CDSC fees only apply when withdrawals are taken over the limit allowed in the contract during the CDSC period.

**Compensation SIS receives from third parties:** SIS receives commissions for the sale of an annuity from the insurance company issuing the annuity. The client does not pay SIS directly.

Insurance companies pay SIS:

- A commission in the first year, and:
- Generally trailing (ongoing) commissions for each year the client owns the contract.
- The amount of compensation that SIS receives can vary depending upon, among other factors: (i) the duration of the annuity; (ii) the age of the client; (iii) the amount invested in the annuity.
- SIS offers class B variable annuity shares.
- For Class B shares, the first-year commission to SIS from 0.00% to 5.00% of the client's initial investment, with an annual trailing commission from 0.00% to 0.25% of the total value of the annuity assets.
- Additional riders are available to purchase in many variable annuities. These rider costs are paid by the client and SIS does not receive a commission if optional riders are purchased by the client.

**Financial Advisor compensation:** Financial Advisors receive a portion of the commissions paid to SIS by the insurance companies based on the grid rate applicable to them. These commissions consist of the following:

- **Transactional Revenue:** Financial Advisors receive compensation from SIS for client purchases of annuities. This compensation varies among different product types, annuity types, lengths of terms and may also vary depending on the age of the customer.
- **Trails:** Certain annuity companies will pay an annual "trail", or ongoing commission, to Financial Advisors. This trail payment will be each year that the customer retains the annuity contract. Due to the variability of the amount of this trail and considering that not all annuity companies pay a trail or may not pay a trail for all of their products offered at SIS, this payment presents a conflict of interest. Financial Advisors are incentivized differently to sell different products.

**Additional disclosures:** For more information, please refer to the applicable variable annuity contract and prospectus. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Investment company products

### Mutual Funds & 529 Plans

**Description:** *Mutual funds* are open-ended investment vehicles designed to invest in a group of assets in accordance with stated investment objectives. Many mutual funds offer several classes of shares that represent an interest in the same portfolio of securities. The principal difference among the classes is the fees and expenses charged by the mutual fund. Fees and expenses in a mutual fund reduce the net asset value of the fund and the investment return.

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A 529 Plan is a tax-advantaged educational savings plan which offers investments into various fund types. SIS partners with several 529 Plan providers. The fees and compensation discussed herein for mutual funds is the same for 529 Plans.

**Fees and charges paid directly by clients:** Some mutual fund share classes have an upfront sales charge (also known as a sales load) or a Contingent Deferred Sales Charge (CDSC -also known as a surrender charge or back- end sales charge). SIS offers only Class A and C shares for mutual fund purchases and 529 plans. Sales charges are paid to SIS.

- **Upfront sales charge: Class A Mutual Fund shares have an upfront sales charge.** Upfront sales charges can be from 0.00% to 5.75% and are described in the prospectus. Many mutual funds allow for a reduction or waiver of the upfront sales charge based upon, among other things, the amount of your total investments in the particular mutual fund family (breakpoint), investor type, as well as the type of account in which the assets are invested (i.e., advisory). Requirements for a reduction or waiver of upfront sales charges are detailed in the prospectus.
- **Deferred sales charge: Class C Mutual Fund shares have a deferred sales charge.** These are sales charges that are applied upon redemption of mutual fund shares within a specified number of years (varies by prospectus). These sales charges are also referred to as a Contingent Deferred Sales Charge, or CDSC. These charges can be from 0.00% to 1.00% for one year. These charges can be reduced or eliminated based on how long the shares are held and as described in the prospectus.
- **Redemption fee:** Mutual funds may charge clients a redemption fee on shares redeemed shortly after purchase. SIS does not receive any compensation from this redemption fee. Details can be found in the fund prospectus.

**Compensation SIS receives from third parties:** SIS receives compensation from third parties in the form of 12b-1 fees. Many mutual funds pay a 12b-1 fee (a marketing/distribution fee) to SIS directly from the fund's assets. Like other fees and expenses in a mutual fund, 12b-1 fees will reduce investment returns. The exact amount varies among funds and share classes but is disclosed in the applicable fund prospectus. The range of 12b-1 fees in mutual fund shares offered is up to 1.00%.

**Financial Advisor compensation:** Depending on the type of mutual fund and share class you buy, as well as account type, Financial Advisors receive a portion of commissions, sales charges and 12b-1 fees paid to SIS by mutual fund companies based on the grid rate applicable to them. Compensation received by the Financial Advisor includes the following:

- **Transactional Revenue:** Financial Advisors receive compensation from SIS for client purchases of mutual funds. This compensation varies among different mutual fund companies, specific funds offered by the mutual fund company, and by share class selected.
- **Breakpoints:** Many mutual fund companies offer reduced up-front sales charges based on the total amount invested in a specific mutual fund company. Mutual fund companies' sales charge discount policies vary. These reduced sales charges also reduce the amount that SIS and Financial Advisors receive in compensation.
- **Trails:** Mutual fund managers pay an annual "trail", or ongoing commission, to SIS. All, or a portion of the trail is paid to Financial Advisors. This trail payment will be paid each year that the customer retains the mutual fund position. This trail differs between mutual funds and share classes purchased. Due to the variability of the amount of this trail and considering that not all mutual funds pay a trail, this payment presents a conflict of interest. Trail compensation can incentivize Financial Advisors to recommend certain mutual funds over others.

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- **12b-1 Fees:** A 12b-1 fee is an annual marketing or distribution fee on a mutual fund. The 12b-1 fee is considered to be an operational expense and, as such, is included in a fund's expense ratio. Many mutual funds pay a 12b-1 fee to SIS directly from the fund's assets. Like other fees and expenses in a mutual fund, 12b-1 fees will reduce investment returns. The exact amount varies among funds and share classes but is disclosed in the applicable fund prospectus.

**Additional disclosures:** For more information, please refer to the applicable mutual fund or 529 Plan prospectus. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Fixed Income Securities

**Description:** Fixed income securities are bonds issued by corporations, states, cities, counties and other governmental entities to raise money, typically for general needs or special projects. SIS offers the following types of fixed income securities:

- Corporate bonds (investment grade only)
- US Treasuries
- Federal agency bonds
- Zero-coupon bonds (investment grade only)
- Municipal bonds (investment grade only)

**Fees and charges paid directly by clients:** For fixed income securities purchased or sold in the secondary market, clients pay a markup (in the case of a purchase) or a markdown (in the case of a sale), which generally consists of (1) the Financial Advisor's sales credit (effectively a commission) that varies depending on the bond type and duration and/or (2) the markup or markdown (if any) that Pershing's trading desk has included as part of the transaction. The sales credit charged varies by type and duration of the bond, with a maximum charge of 3.00%.

**Compensation SIS receives from third parties:** SIS does not receive any compensation from third parties as a result of Municipal Securities purchased or sold.

**Financial Advisor compensation:** Financial Advisors receive a portion of the sales credit paid by clients (see discussion above under "Fees and charges paid directly by clients") based on the Financial Advisor's grid rate. Compensation received by the Financial Advisor includes the following:

- **Transactional Revenue:** Financial Advisors receive compensation from SIS for client purchases and sales of fixed income securities. Financial Advisors are permitted to charge up to 100% of the maximum sales charge percentage, or "Markup", allowed by SIS. This sales charge percentage is based on SIS's Fixed Sales Credit Grid which varies based on the type of bond purchased. The sales charge percentage applied varies among clients at the discretion of the Financial Advisor and/or the Firm.

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## Structured Products

**Description:** Structured products are unsecured obligations with a return at maturity that is linked to the performance of an underlying asset. Structured products include debt securities, obligations, or certificates of deposit (CDs) issued by non-affiliated third parties, with returns linked to underlying assets or indexes.

**Fees and charges paid directly by clients:** Only new issues are offered, and clients pay the initial offering price, which is set by the issuer. The offering price includes costs and fees associated with purchasing the security and includes selling commissions paid to SIS and structuring and hedging costs of the issuer and its affiliates. Clients are not charged additional sales charges or commissions. The offering price and a description of the costs and fees associated with a security can be found in the offering document.

**Compensation SIS receives from third parties:** SIS receives a selling commission directly from the issuer for bringing the security to market, which is received as an upfront payment. The selling commission is stated in the offering document.

**Financial Advisor compensation:** Financial Advisors receive a portion of the new issue selling commission- based on the grid rate applicable to them. Compensation received by the Financial Advisor includes the following:

- **Transactional Revenue:** Financial Advisors receive compensation of up to 3.00% from SIS for client purchases of structured products. This compensation is determined by the issuer for each offering and will vary among offerings. Financial Advisors may also receive compensation from SIS for client purchases of structured products. Financial Advisors are permitted to charge up to 100% of the maximum sales charge percentage, or "Markup", allowed by SIS. The sales charge percentage applied varies among clients at the discretion of the Financial Advisor and/or the Firm.

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## Securities-based Lending and Margin

### Securities-based Lines of Credit

**Description:** A securities-based line of credit is a line of credit using securities as collateral. The proceeds from these lines of credit are non-purpose in nature and may not be used to purchase, trade or carry securities. These loans are generally secured by securities pledged by borrowers and/or a third party. Securities-based lines of credit offered by SIS are funded by Goldman Sachs as the lender.

**Fees and charges paid directly by clients:** Clients repay the principal balance and interest on outstanding balances to Goldman Sachs. Clients are required to make monthly payments of the accrued interest to Goldman Sachs. Clients have the option to repay the principal at any time without prepayment fees or penalties. Interest rates are stated in the loan closing documents provided by Goldman Sachs.

**Compensation SIS receives from Goldman Sachs:** SIS receives from Goldman Sachs a portion of the interest charged on the average monthly outstanding balance from 0.00% to 0.50% per annum.

**Financial Advisor compensation:** Financial Advisors do not receive compensation from SIS on securities- based lines of credit.

Securities and advisory services are offered through Santander Investment Services, a division of Santander Securities LLC. Santander Securities LLC is a registered broker-dealer, Member FINRA and SIPC and a Registered Investment Adviser. Insurance is offered through Santander Securities LLC or its affiliates.

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**Additional disclosures:** For more information, please refer to your loan application and loan closing documents provided by Goldman Sachs. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Securities Account Control Agreements

**Description:** A Securities Account Control Agreement is a three-party agreement between a client, the client's lending institution, and the client's broker/dealer where securities are held. This agreement allows a client to obtain a lending facility from another financial institution while keeping their securities invested with SIS. SIS provides control over the account(s) being used as collateral to protect the interest of the lending institution.

**Fees and charges paid directly by clients:** Clients may pay fees to their lender with regard to their lending facility. SIS does not charge a fee to the client for this service.

**Compensation SIS receives from third parties:** SIS may receive a share in the revenue earned by the lender with regard to the lending facility of up to 50% of the earned revenue. SIS has a revenue sharing agreement with a third-party affiliate, Banco Santander International.

**Financial Advisor compensation:** Financial Advisors do not receive compensation on Securities Account Control Agreements.

**Additional disclosures:** For more information, refer to your Securities Account Control Agreement. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Margin loans

**Description:** Margin loans use securities in client accounts as collateral and may be used to purchase, trade or carry securities.

**Fees and charges paid directly by clients:** Clients repay the principal balance and interest on outstanding balances to National Financial Services and have the option to repay the principal at any time without prepayment fees. Clients engaged in short selling a security will generally incur a charge due to certain borrowing costs for that particular security.

**Compensation SIS receives from third parties:** SIS receives from National Financial Services a portion of the interest charged under the margin agreement, which is based on National Financial Services' National Financial Base Lending Rate ("NFBLR"). The interest rate spread that SIS earns is higher for clients who borrow less, or who have less of a debit balance. Financial Advisors do not directly earn any portion of this rate spread, however, SIS is incentivized to establish margin agreements with clients. The rate spread percentage applied varies among clients at the discretion of the Financial Advisor and/or the Firm. SIS receives from National Financial Services a portion of the interest charged on the average monthly outstanding balance from 0.50% to 2.50% per annum.

**Financial Advisor compensation:** Financial Advisors do not receive direct compensation on margin loans. However, additional methods of compensation can be received by the Financial Advisor which includes the following:

- **Transactional Revenue:** Financial Advisors do not receive direct compensation from SIS for establishing a margin agreement with their clients; however, Financial Advisors will receive compensation for investment products transacted within a margin account. This compensation will vary depending upon the product(s) purchased within the account.

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**Additional disclosures:** For more information, refer to your Margin Agreement. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Sweep programs for brokerage accounts

**Description:** A sweep program is a service whereby uninvested cash balances in eligible securities accounts are automatically deposited into interest-bearing bank deposit accounts or invested in money market mutual funds, based on your account's eligibility..

**Fees and charges paid directly by clients:** Clients are not charged an additional fee for this service.

**Compensation SIS receives from third parties:** Brokerage accounts and advisory accounts may sweep to the Santander Securities LLC Bank Deposit Sweep Program (the "BDSP" or "Program"). SIS receives revenue on amounts held in the BDSP. In addition, SIS's affiliated bank, Santander Bank, N.A., serves as the BDSP Program Bank and will benefit from Program deposits. Certain brokerage and advisory accounts may also sweep to a money market fund. For money market fund sweep vehicles, SIS and/or its affiliates do not receive any revenue sharing payments on investment in the money market fund(s) offered as sweep options.

**Financial Advisor compensation:** Financial Advisors do not receive direct compensation from SIS on sweep programs.

**Additional disclosures:** For more details on the sweep program, please visit the Bank Deposit Sweep Program Disclosure Document at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures). For more details on the mutual fund used in the sweep program for eligible accounts, see the [Fidelity Government Money Market Fund Prospectus](https://fundresearch.fidelity.com/mutual-funds/summary/31617H102), available at <https://fundresearch.fidelity.com/mutual-funds/summary/31617H102>. For more information on conflicts of interest or our fees and commissions, please refer to the conflicts of interest disclosure and commission and fee schedule at [www.santanderinvestments.com/disclosures](http://www.santanderinvestments.com/disclosures).

## Advisory Programs

**Description:** A description of each of our investment advisory programs and applicable required minimum investments are provided below.

- **Fund Strategist Portfolios (FSP Program)** A Fund Strategist Portfolio (FSP) is an advisory account where an investment management firm manages both product/investment selection and asset allocation in the portfolio. FSPs utilize various approaches to portfolio construction and asset allocation. SIS provides clients with access to wrap-fee programs sponsored by an unaffiliated Firm, Fidelity Institutional Wealth Advisor LLC using the FMAX advisory platform ("FMAX"). FMAX may, at its discretion, place trades within client accounts based on instructions provided by the selected Money Managers. FMAX generally will only use this discretionary authorization to: rebalance a client's account, as agreed between the client and the advisor and to liquidate sufficient assets to pay the program fee, when necessary and advisable. Clients should refer to FMAX's and the Manager-specific firm's wrap-fee program brochure for complete information on their respective programs. The minimum investment is \$25,000.
- **Separately Managed Account Programs (SMA)** An SMA is an investment vehicle composed of stocks, bonds, cash or other individual securities and overseen by a professional money manager. With an SMA, you directly own the individual securities in the portfolio, unlike investing in a mutual fund or exchange-traded fund, where money is pooled with that of other investors. In addition to a third-party managed portfolio, SMA accounts in general give your

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Financial Advisor the ability to select a mutual fund or ETF to complement your managed portfolios. SIS provides clients with access to certain separately managed accounts ("SMA") sponsored by an unaffiliated firm, Fidelity Institutional Wealth Advisor LLC using the FMAX advisory platform. The minimum investment is \$100,000.

- Unified Managed Account Program (UMA)** A Unified Managed Account solution allows all of your managed assets to be managed in a single account, consolidating your different model portfolios in one master account. SIS provides clients with access to the UMA Program which is sponsored by an unaffiliated firm (The UMA Manager). The UMA manager will construct an investment portfolio based on the management strategy you select with your Financial Advisor. Each investment strategy gives the UMA manager discretion to provide continuous investment advice based on your individual objectives and needs and/or to recommend certain sub-advisers to do the same. The UMA manager will utilize various security products including: ETFs, mutual funds, bonds, equities and/or other individual securities or additional portfolio managers commonly referred to as "sub-advisers" in association with the investment strategy selected by you and your Financial Advisor. The UMA manager may use investment discretion to change your portfolio asset mix in order to help you meet your objectives. It is the intent of the UMA manager to maintain a risk exposure in accordance with your strategy and objectives by using the various investment choices available under the strategy selected by you and your Financial Advisor. SIS and your Financial Advisor shall exercise no investment discretion with respect to your account, allocation of model portfolios and/or the selection of additional sub-advisers. The minimum investment is \$25,000.

**Fees and charges paid directly by clients:** The SIS Investment Advisory Fee in all programs ranges from 0.50% to 2.00% for all assets and strategy types. Fees charged by investment managers, platform manager (FMAX), and custodian (National Financial Services) in all advisory programs are in addition to the SIS Investment Advisory Fee. With respect to underlying funds that are mutual funds or exchange traded funds (ETFs), these fees and expenses are described in the applicable fund's prospectus and will generally include a management fee, other fund expenses and a possible distribution fee.

We reserve the right, in our sole discretion, to institute special pricing features, change account minimums for new accounts, impose higher account minimums for certain strategies or portfolios that may be offered from time to time, terminate accounts that fall below the minimum account value requirements, or require that additional cash or securities be deposited to bring an account up to the required minimum. This includes but is not limited to clients receiving customized pricing for participation in the Santander Private Client (SPC) program.

**Compensation SIS receives from third parties:** For its ongoing services to clients in connection with all advisory account programs, SIS receives from 0.00% to 2.00% of the total market value of client assets that are participating in each of its programs.

- Mutual fund holdings in advisory programs:** Institutional and/or advisory share classes are the primary eligible share class available for purchase in our programs. From time to time, other share classes of funds are purchased and these classes normally pay a shareholder servicing fee, commonly referred to as a 12b-1 fee, out of fund assets. SIS does not collect these fees, rather SIS has worked with our custodian, National Financial Services LLC, to rebate these fees back to our clients' accounts.

**Financial Advisor compensation:** Financial Advisors receive an upfront payment to their grid from 0.00% to 2.25 of the initial transaction amount in an advisory program. After 12 months of assets being invested in the program, Financial Advisors receive an ongoing compensation (trail) from 0.00% to 0.95% of the account value to their grid. Compensation received by the Financial Advisor includes the following:

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- Transactional Revenue:** Financial Advisors receive compensation from SIS for client purchases of advisory accounts. This compensation consists of an upfront credit for the initial purchase of the advisory account as well as an ongoing annual credit, based on assets under management. The Financial Advisors compensation is reduced if a discount on the advisory fees is applied. The advisory fee percentage applied varies among clients at the discretion of the Financial Advisor and/or the Firm. SIS receives different amounts of revenue, based on the type of program purchased. This variance in revenue provides an incentive for the Firm to recommend certain programs over others.

**Additional disclosures:** For more information on our advisory programs or conflicts of interest, please refer to Form ADV and our conflicts of interest disclosure located at [santanderinvestments.com/disclosures](http://santanderinvestments.com/disclosures).

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