

Item 1 – Cover Page



Santander Securities LLC  
2 Morrissey Boulevard  
Dorchester, MA  
[www.santandersecurities.com](http://www.santandersecurities.com)  
Part 2A of Form ADV: Firm Brochure

SSLLC Advisory Programs

**November 4, 2022**

This Brochure provides information about the qualifications and business practices of Santander Securities LLC (hereinafter "SSLLC" or the "Firm"). If you have any questions about the contents of this Brochure, please contact SSLLC at (866) 736-6475. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SSLLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about SSLLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a "CRD number", SSLLC's CRD number is 41791.

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.

INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE |  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A BANK DEPOSIT

## Item 2 – Material Changes

SLLC encourages all current SLLC advisory Clients (“Clients”) and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with your dedicated SLLC Financial Advisor.

The Firm has made no material changes to this brochure for the revision dated November 4, 2022. The changes made reflect SEC amended rule, rule 206(4)-1, under the Advisers Act, which addresses advisers marketing their services to clients and investors (the “marketing rule”). The rule also replaces rule 206(4)-3 (the “solicitation rule”), to help ensure clients are aware that paid solicitors who refer them to advisers have a conflict of interest. This change has no material impact on your relationship with SLLC, currently the Firm only participates in limited marketing campaigns and does not engage in any solicitor type relationships.

### **Will I receive a Brochure every year?**

We may, at any time, update this Brochure. Any material changes will either be sent to you as a summary of those changes or, depending on the extent of these changes, you may receive the entire updated Brochure.

### **May I request additional copies of the Brochure?**

You may request and receive additional copies of this Brochure in one of three ways:

- Download the Brochure from the SEC website at: <http://www.adviserinfo.sec.gov/>. Select “Firm” and type in our Firm name or CRD # 41791.
- Contact SLLC’s Customer Service Department at: (866) 736-6475 to request a Brochure free of charge.
- Or, visit our website for the Firm Brochure and all other Firm Disclosures at: <https://www.santanderbank.com/personal/investing-insurance/investment-services/disclosures>

### Item 3 – Table of Contents

Item 1 – Cover Page_____	1
Item 2 – Material Changes_____	2
Item 3 – Table of Contents_____	3
Item 4 – Advisory Business_____	4
Item 5 – Fees and Compensation_____	14
Item 6 – Performance-Based Fees_____	21
Item 7 – Types of Clients_____	21
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss_____	22
Item 9 – Disciplinary Information_____	28
Item 10 – Other Financial Industry Activities and Affiliations_____	30
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading_____	31
Item 12 – Brokerage Practices_____	33
Item 13 – Review of Accounts_____	35
Item 14 – Client Referrals and Other Compensation_____	36
Item 15 – Custody_____	39
Item 16 – Investment Discretion_____	39
Item 17 – Voting Client Securities_____	39
Item 18 – Financial Information_____	39
Privacy Policy_____	40

## Item 4 – Advisory Business

Santander Securities LLC (hereinafter “SSLLC” or the “Firm”) is a financial services firm that provides various investment advisory services to Clients. SSLLC registered with the United States Securities and Exchange Commission (hereinafter, the “SEC”) as an investment adviser in November 1999 and has been registered with the SEC and the Financial Industry Regulatory Authority (hereinafter “FINRA”) as a broker-dealer since 1996. SSLLC is a wholly-owned subsidiary of Santander Holdings USA, Inc., a holding company for Santander Bank, NA that provides various banking products and services primarily in the Mid-Atlantic and Northeastern United States. Santander Holdings USA, Inc. is a subsidiary of Banco Santander, S.A. SSLLC’s advisory services are offered through certain SSLLC Financial Advisors also referred to as Advisors who have registered as investment adviser representatives. Registration does not imply a certain level of skill or training. Other material affiliates of SSLLC include Santander Bank N.A., and Banco Santander International. However, as part of the Santander Group, SSLLC is affiliated with numerous other entities throughout several different companies. Please refer to “Item 10” of this Brochure for information on affiliated entities with which SSLLC has material relationships and the method in which SSLLC manages certain conflicts that arise in such relationships.

SSLLC provides various investment advisory services to Clients, which include financial planning, and access to wrap-fee Programs, including Fund Strategist Portfolios, Unified Managed Accounts and Separately Managed Accounts sponsored by FIWA an unaffiliated investment adviser, using the FMAX Program platform. Please refer to the separate FMAX “ADV Part 2A” Brochure for more details.

Additionally, the Firm has launched a Digital Advisory Program, also known as a Robo Advisor, which is explained in our Digital Advisory Program Brochure. In general, a Digital Advisory Program is an advisory offering in which an unaffiliated investment advisory firm sponsors and acts as a co-adviser and assists our Clients by giving them access to a technology platform that uses an algorithm that will present investment solution(s) based on the Client profile information inputted directly by the Client. This solution is for Clients who are looking for fewer interactions with our Financial Advisors and technology they can access at their fingertips. The Firm will make our customer service desk available to navigate our Clients through any questions or concerns they may have when using the solution or when selecting their investments.

In addition to our Advisory Programs, the Firm offers securities-based consumer lending. The products and services we offer are limited to certain Advisory Programs and options we have selected based on our due diligence, third-party due diligence, and certain approved and/or qualified list(s) provided and monitored by FMAX. As such, products and solutions available to you should be considered to be limited.

### Getting to Know You Better

Most advisory relationships begin with an initial Client meeting. Typically, meetings are conducted in person, over the telephone, via video conference, or through email communications. The purpose of this initial meeting is to discuss with your Financial Advisor your investment history, goals, objectives, and concerns as it relates to the management of Client Accounts (each an “Account”). The investment advisory services provided by SSLLC depend largely on the personal information the Client provides to the Financial Advisor. For SSLLC to provide appropriate investment advice to a Client, it is very important that Clients provide accurate and complete responses to their Financial Advisor’s questions (*in the form of an Investment Profile*

*Questionnaire (“IPQ”) and our Risk Tolerance Questionnaire (“RTQ”)* about their financial condition, needs and objectives, and any reasonable restrictions they may wish to impose concerning the securities or types of securities to be bought, sold, or held in their Account, if applicable. Providing your Financial Advisor with incorrect or inaccurate information will lead to SSLLC making a recommendation that may not be appropriate for your individual needs and objectives. The Firm does not recommend the practice of any Client intentionally altering their financial information should they desire a more aggressive Advisory Program. The Firm has no liability should an investment strategy not align with a Client’s needs if they are not truthful and/or forthcoming with providing the Firm with accurate profiling information. After the initial Account is established, it is also important that Clients inform their Financial Advisor of any changes in their financial condition, investment objectives, personal circumstances, and any reasonable investment restrictions they may wish to impose on the Account, if any, that may affect the Client’s overall investment goals and strategies.

#### Program Choice Conflict of Interest

Clients should be aware that the compensation to the Firm will differ according to the service or specific Advisory Program chosen. Compensation to your Financial Advisor will be level no matter which Advisory Program is chosen, thus mitigating conflicts of interest based on the particular solution your Financial Advisor recommends. The compensation to SSLLC may be more than the amounts we would otherwise receive if you participated in other Programs or paid for investment advice, brokerage, and/or other like services separately. We urge you to discuss compensation with your Financial Advisor to gain full understanding of how he/she is compensated and discuss all present conflicts of interest. Further, please be mindful that similar services or products may be available at other institutions at a lower cost. Please ask your Financial Advisor about our additional disclosure forms that complement this Brochure, including but not limited to the Firm’s [Form CRS](#), [Conflicts of Interest Disclosure](#) and our [Compensation Disclosure](#). These disclosures provide transparency into the services we provide, present conflicts of interest, and how the Firm and our Financial Advisors are compensated in both their capacity as an “investment adviser” and as a “broker-dealer,” which create conflicts of interest. As a point of clarity, Form CRS may also be referred to as “ADV Part 3” in various other documents and disclosures.

#### More Detail about our Advisory Services

The Firm provides you access to several Advisory Programs to give you as much flexibility as possible. The specific Advisory Program selected by you may cost you more or less than purchasing Program services separately. Factors that bear upon the cost of a particular Advisory Program in relation to the cost of the same services purchased separately include, but are not limited to, the type and size of the Account, the historical and/or expected size or number of trades for the Account, the expertise and technology certain platform Managers have access to, and the number and range of supplementary advisory and Client-related services provided to the Account. The Firm strongly believes each advisory relationship is unique and should be distinctly tailored for that individual. It is not uncommon for Clients, who may be considered to be “similar” in nature, to receive tailored advice and be invested in different managed solutions. This will also lead to Clients, who may be similar in nature, paying different advisory fees given their different managed solutions.

#### Santander Investments Direct (“SID”) Team

In addition to our Financial Advisors that are located throughout our geographical footprint, the Firm also offers advisory services from a home office customer service team, referred to as Santander Investments Direct or "SID". The intent of this service includes but is not limited to providing on-going advice to our Clients when a Financial Advisor departs from the Firm, providing on-going advisory services to low balance Accounts as well as to service any advisory relationship at the sole discretion of the Firm. Clients should note that these home office Financial Advisors or SID will not receive advisory fees for the services and advice they provide; they are compensated by a salary that is not impacted by the advice or sales they generate in this capacity, further reducing any conflict of interest. As you are provided with an ADV Part 2B Brochure by your Financial Advisor, you will receive the [ADV Part 2B Brochure](#) for the SID team at the time of Account transfer/establishment and should they provide you with any advisory services.

### Important Considerations Prior to Opening an Account

The list below is meant to provide you with general overviews of several important facts that are common with the Advisory Programs that we offer. While the list below is not meant to include every possible situation, we do consider and take into account the following:

- Reasonable Restrictions

By sending us a written request, you may impose reasonable restrictions on the management of your Account. For example, a reasonable restriction may indicate your desire that we or a recommended Manager do not invest in a certain sector or industry. We may refuse to accept or manage your Account if we determine such restrictions are unreasonable. In the event that we are unable to accept your restriction, we will give you the opportunity to modify or withdraw the restriction.

- Deposits and/or Withdrawals

Unless specifically stated, you may make additions to, or withdrawals from, your Account at any time. If your Account falls below the minimum required Account value, we have the right to terminate your Account.

- Trading Authorization

In general, advisory or managed Accounts with SLLC are discretionary. With your Financial Advisor's assistance and guidance, you will ultimately decide and choose what Advisory Program is right for you. Once your account is established, SLLC and appointed Managers have the ability to exercise discretion; the assets in such Account will be managed on a discretionary basis in accordance with such Client's Portfolio.

- Trade Confirmations

In general, trade confirmations will be suppressed, and the custodian will send you quarterly statements. Should you want individual trade confirmations, please talk to your Financial Advisor and discuss e-delivery options.

- Quarterly Statements

You will receive a statement of your Account and Account activity no less than quarterly from NFS. If you have any questions regarding the performance of your Account, please contact your Financial Advisor.

- Custody

The Firm would like you to know that we do not take “custody” of your money and/or your securities. If the Firm inadvertently receives a check made payable to the Firm or receives securities, we will make every effort to return them to you promptly without delay.

- Cash Sweep Account

SLLC and NFS, the Program Custodian, have entered into an agreement whereby NFS automatically invests, or “sweeps,” available cash balances in certain Clients’ Accounts at NFS into a Program selected by the Client should they choose to participate. Clients have an opportunity to earn interests on balances that participate in sweep Programs. Currently, the Firm offers our Clients a sweep option on our advisory platform; the **Fidelity Government Money Market Fund (SPAXX)**. SLLC receives no remuneration for your participation in these investments. In addition, it is the intent of the Firm and FMAX, to only invest our Clients in sweep investments that do not generate additional fees known as 12b-1 fees. This offering does not generate 12b-1 fees. No additional fees will be charged to you or earned by SLLC for your participation in sweep investments. You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. **An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.** The interest rates you earn may be lower than interest rates available should you invest directly in other products or with other institutions; please consult the product prospectus and/or terms and conditions document for additional information. Please direct any questions you may have to your Financial Advisor. Additional information about this investment may be found in the Fund’s [prospectus](#).

- Meetings with your Financial Advisor

Your Financial Advisor will make themselves reasonably available to assist and answer any questions you may have. We ask that you meet or confer with your Financial Advisor at least annually to discuss your current financial condition, investment objectives, whether a managed Account is still the right investment to meet your objectives and whether you wish to impose and/or modify any reasonable restrictions. In addition to this annual meeting, the Firm will contact you by written communication, quarterly as part of your statement delivery, in efforts to encourage you to review your Account and urge you to contact your Financial Advisor should you like to discuss or modify your financial information, investments or imposed account restrictions.

### **Financial Planning**

SLLC provides goal-based financial planning services to Clients using a third-party software tool (MoneyGuidePro). There is no additional fee or charge for this service and no purchase of an investment or the establishment of an Account is required. In conjunction with these services, SLLC will prepare a comprehensive financial plan for Clients based on their financial and personal circumstances. SLLC does not provide tax or legal advice as part of its financial planning service. Specific financial planning issues to

be addressed by SSLLC may include:

- Financial Management (Financial Situation/Budget/Cash Flow Analysis)
- Investment Management (Asset Allocation)
- Insurance Needs Analysis (Life, Disability, Long Term Care Needs)
  
- College Funding
  
- Accumulation Planning
  
- Retirement Planning
  
- Estate Planning
  
- Specific Issue Calculations
  - Social Security Strategies
  - Roth IRA Conversion
  - Net Unrealized Appreciation of Employer Stock
  - IRA Distributions

SSLLC will prepare a financial planning presentation based on information provided to SSLLC by its Clients. The assumptions or projections in the financial plan are estimates and are meant to serve as a guideline. If any of the data provided to develop the plan is not accurate, or the assumptions used in the plan are not realized, then the projections may be inaccurate.

The recommendation(s) included in SSLLC's financial plan is/are advisory in nature, and SSLLC does not guarantee the performance of any investment or insurance products that may be purchased in accordance with such recommendation(s). The financial plan also includes financial projections based on assumptions about future events. SSLLC is not responsible for the success or failure of any specific investment or insurance strategy recommended.

Each financial planning Client has the choice of selecting SSLLC to invest on their behalf by selecting an Advisory Program described further below in this document or a brokerage Account.

### **Access to the FMAX Program**

SSLLC provides Clients with access to the below-described wrap-fee Programs, offered through the FMAX Program and sponsored by FIWA, an unaffiliated Investment Adviser. The FMAX Program offers our Clients the opportunity to construct and invest in portfolios of securities by using a variety of Advisory Programs. After your Financial Advisor determines your investment objective based on information you provided regarding your risk appetite and investment objectives by completing a Risk Tolerance Questionnaire with your Financial Advisor, if appropriate, your Financial Advisor may recommend one of the FMAX investment Advisory Programs, these Programs offer different strategies and risk tolerances ranging from "conservative" to "aggressive" investment options. You then take this recommendation and/or guidance, and decide if an Advisory Program is right for you. Our Clients, with our assistance, ultimately decide the Advisory Program into which they choose to invest. Currently, we offer access to three different types of



Advisory Programs for your Financial Advisor to consider for use with you: (1) the Fund Strategist Program (“FSP”), which provides access to asset-allocated portfolios of mutual funds and exchange traded funds and products; (2) the Unified Managed Account Program (“UMA Program”), which provides you access to the services of multiple Investment Managers and gives you the ability to house multiple investment strategies in a single Account; and (3) the Separately Managed Account Program (the “Separate Account” or “SMA” Program) which provides access to style or asset class specific portfolios of individual equity and fixed income securities, as well as mutual funds and exchange traded products. Please review the FMAX Form ADV Part 2A Brochure for additional information about each Program.

The FMAX Program provides access to a wide range of investment strategies provided by professional Investment Managers, including FIWA, its affiliates and unaffiliated Investment Managers. FIWA has contracted with Investment Managers to provide strategies (each a “Strategy”) to SLLC for use with your assets invested through the FMAX Program (“Program Assets”). For certain Investment Managers, FIWA has entered into a licensing agreement with the Investment Manager whereby the Investment Manager provides access to investment models on the FMAX Program (together the “Models,” or each a “Model”). For these Models, which can include Models made available by FIWA and its affiliates (the “Model Providers”), FIWA has also engaged the services of one or more Investment Advisers to provide overlay management, trade order implementation and other administrative duties (an “Implementation Manager”). The Implementation Manager has full discretion with respect to the purchase or sale of any security in an Account for which you or your Financial Advisor have selected a Model. FIWA, in its sole discretion, may replace the Implementation Manager on no less than sixty (60) days’ notice to you and SLLC. For purpose of clarity, you will have no contractual relationship with Investment Managers or Implementation Managers and these Managers will not provide any investment advisory services directly to you. What this means is, your contractual relationship is with SLLC and FIWA, the Investment Managers appointed by FIWA will manage the Models and securities in your Account but do so exclusively based on their relationship with FIWA, these Investment Managers do not have a contractual relationship with SLLC and by extension our Clients. Any questions about your Account should be directed to your Financial Advisor.

For certain other Investment Managers, FIWA has entered into a discretionary investment management agreement with the Investment Manager whereby the Investment Manager, selected by your Financial Advisor or you, maintains discretion to implement investment strategies and purchase and sell securities from your Program Assets in your Account.

### **Access to Fund Strategist Portfolios (“FSP”)**

FSP provides SLLC and Clients with access to a number of professionally managed asset-allocated Models composed of mutual funds and exchange traded funds. Each Model is assigned a risk rating by the FMAX Platform, which allows the Firm to view all available risk-appropriate Models based on the information the Financial Advisor has input for their Clients. A Risk Tolerance Questionnaire is available to aid in SLLC’s analysis of the Client’s investment objectives and risk/return preferences, leading to a determination of asset allocation and investment style(s) and a recommendation of models or Program(s) within the FMAX Program. If Program(s) within the FMAX Program are selected, Clients receive initial and ongoing assistance from their SLLC Financial Advisor with the FMAX Program Manager selection process.

The Financial Advisor is solely responsible for selecting the FSP Model(s) that they recommend for our Clients, and then our Clients will make the decision to invest in an FSP Model(s). The Implementation Manager retains investment discretion for the purchase and sale of any securities in our Client's account(s). The Model Provider determines the Model's asset allocation and underlying investment selection and provides their Model portfolio holdings, as well as any ongoing portfolio changes, to the Implementation Manager for implementation and ongoing management.

The Financial Advisor provides ongoing support to each Client for updating and maintaining the Client's financial profile and risk appetite information and allocation across FSP Model Managers. While your Financial Advisor provides initial and ongoing recommendations to Clients regarding which FSP Models to utilize and allocation between Models, SSLLC also has the discretionary authority to retain or fire a Manager without Client consent or approval.

The current FSP Managers available to you on platform include: ***BlackRock, Brinker Capital, Clark Capital, Donoghue Forlines, Efficient Market, First Ascent, PMC, Russell Investments, Sage, Symmetry, Vanguard and Wilshire***. This list is subject to change, please refer to your Financial Advisor for the most current information.

Please refer to the FSP Model's Client Brochures "ADV Part 2A", "Wrap Brochure", Form CRS and Privacy Policy for more detailed information about the services they individually provide.

### **Access to the Unified Managed Account Program ("UMA")**

The UMA Program enables SSLLC to recommend personalized Client portfolios housed in a single Account. UMAs offer the ability to incorporate multiple Funds and Strategies into one Account by accounting for each unique investment strategy as a unique investment "sleeve" within a single Account (e.g., Fund sleeves, individual SMA Manager sleeves and Fund Strategist sleeves).

After completion of the RTQ with the assistance of your Financial Advisor, your Financial Advisor can recommend a "guided" UMA portfolio for a Client by starting with an FMAX prepared asset allocation. SSLLC uses the guided version of the UMA, whereby the Firm does not determine the asset allocation or the specific underlying investment solutions used in each sleeve of the UMA portfolio. In the guided UMA, the Firm will recommend a prepackaged asset allocation and investment solution provided by a Model Provider that aligns with the Clients financials and objectives. The Implementation Manager provides portfolio implementation management services for the guided UMA Accounts and implements trade orders on a discretionary basis.

SSLLC determines the appropriate investment solution(s) to utilize within the UMA from the options available within the Program, including Models, Funds, and SMAs. SSLLC is solely responsible for determining the guided asset allocation model it elects to recommend to the Client. Once SSLLC has selected the recommended portfolio, the Implementation Manager provides implementation management services for UMA Accounts and implements securities purchases and sales for the Account using discretion based on (i) the asset allocation, (ii) the composition of the Models provided by any Model Providers used in the UMA portfolio, and/or (iii) instructions of the Investment Manager as to weighting of any Funds. In situations where SSLLC selects a discretionary Strategy for a particular sleeve within a UMA, the

Investment Manager providing that discretionary Strategy, not the Implementation Manager, will implement trade orders for the portion of the UMA they have been assigned.

Current UMA Programs on platform include: CLS, Brinker and FIWA.

Please refer to the UMA Program's Client Brochures and FIWA's Brochures "ADV Part 2A", "Wrap Brochure", Form CRS and Privacy Policy for more detailed information about the services they provide.

#### **Access to Separately Managed Accounts ("SMA")**

The SMA Program provides SLLC, Financial Advisors and our Clients with access to a group of investment style-specific professionally managed portfolios composed of individual securities and/or Funds. SLLC selecting the SMA Program provides access to investment portfolios chosen from a roster of Investment Managers specializing in a variety of investment disciplines.

Your Financial Advisor will gather your individual risk appetite and objectives after you complete our RTQ, this will assist your Financial Advisor when making an advisory recommendation. The Firm is permitted to combine the SMA with Funds in order to solve for a Client's personal asset allocation requirements. Additionally, the SMA Program may be defined using the term "Separate Account" Program on the Statement of Investment Selection ("SIS") and related documents.

Your Financial Advisor is solely responsible for selecting the SMA it recommends for Clients. The Platform assists the Firm in identifying the SMA(s) that correspond to the proposed asset classes and styles. SMA Accounts are either managed on a discretionary basis by the Investment Manager, or can be provided in Model form, in which case the Implementation Manager has discretion over the implementation of the Model in the Client's Account. Fixed income is a typical asset class where the Investment Manager retains trade discretion to implement their Strategies in each assigned Client Account.

The current list of available SMA Managers on platform include: ***Acadian Asset Management, Alley Company, AllianceBernstein, Anchor Capital, Belle Haven, Berkshire Asset Management, Breckinridge Capital Advisors, Brown Advisory, Cambiar Investors, Columbia Management, Congress Asset Management, Copeland Capital, Crossmark Global, Dana Investments, Federated Investment Counseling, F/m Genoa, GSAM Strategist Portfolios, LLC, GW&K Investment Management, Harding Loevner LP, James Capital Alliance Inc., John Hancock, Kayne Anderson, Lazard Asset Management, LLC, Legg Mason Private Portfolio Group, LLC, MFS Institutional Advisors, Neuberger Berman, Nuveen Pacific Income Advisors, Portfolio Management Advisors, Principal Real Estate Investors, LLC, Raub Brock, Riverbridge, Robert W. Baird & Co. Inc., Schafer Cullen Capital Management Inc., Tom Johnson Investment Management Inc., Tributary Capital Management LLC, Uniplan Investment Counsel, Inc., Virtus Fund Advisers, LLC, Voya Investment Management Co. LLC, Wakefield Asset Management, LLP, WCM Investment Management, William Blair.*** This list is subject to change, please refer to your Financial Advisor for the most current information.

Please refer to the SMA Program's Client Brochures "ADV Part 2A", "Wrap Brochure" Form CRS and the Privacy Policy for more detailed information about the individual services they provide. Should a Fund be selected to compliment your SMA investment you should refer to the Fund's Prospectus for more information.

## **Tax and Impact Overlay Services**

SLLC can recommend tax and impact overlay services (“Tax Overlay” and “Impact Overlay”) for Clients. Tax Overlay seeks to consider tax implications that may detract from the Client’s after-tax returns. Impact Overlay allows the Firm to integrate Environmental, Social and Governance (“ESG”) factors into their investments based on the Client’s requests. If selected by the Firm after discussion with our Client, the Implementation Manager provides the Tax Overlay or Impact Overlay (or both) services, to an Account or sleeve. The Tax Overlay and Impact Overlay services are designed to enhance the after-tax return for the Client and align a portfolio with the personal values of the Client, respectively. FIWA or the Implementation Manager do not provide tax planning advice or services, the Firm recommends that any questions should be directed to your tax professional. Please discuss any general questions you may have with your Financial Advisor. Please consult your Tax Overlay agreement and related brochure for all details and fees for this service.

## **Access to GS Select (Consumer Based Securities Lending)**

The Firm is offering securities-based consumer lending through Goldman Sachs, a third-party lender, called “GS Select”. This will provide you the opportunity to borrow a percentage of the market value of the qualifying securities in your Account at competitive/defined interest rates and no additional fees. GS Select has no established repayment terms for the principal amount borrowed, only the interest is due monthly. To participate in this Program, you must have qualifying securities in your Account at the time of application. These securities will be pledged as collateral for the loan. GS Select may not be appropriate for all investors and the risks should be carefully evaluated and discussed with your Financial Advisor. If the market value of your portfolio depreciates, you may be required to deposit additional funds or marginable securities into the Account. GS Select cannot be used for the purpose of 1) purchasing or trading securities; 2) meeting margin calls relating to securities purchases; or 3) reducing or retiring indebtedness incurred to purchase, carry or trade securities. Risks associated with GS Select include, but are not limited to: (1) There is no maturity date on the loan however repayment can be demanded at any time; (2) The Firm can force the sale of securities or other assets in your Account(s); (3) If the equity in your Account falls below the maintenance requirements, the Firm can sell the securities or other assets in any of your Accounts held at the Firm to cover the margin deficiency; (4) The Firm can sell your securities or other assets without contacting you; and (5) You are not entitled to choose which securities or other assets in your Account(s) are liquidated or sold to meet a call. Please consult with your Financial Advisor and carefully review all disclosures and documentation.

## **ERISA Account(s)**

SLLC also provides investment advisory services to retirement plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), individual retirement Accounts (“IRAs”), and other tax-qualified Accounts. ERISA and IRA Accounts may be subject to certain SLLC policies, restrictions and other terms and conditions that are different from those applicable to other Program Accounts. Such policies, restrictions and other terms and conditions may affect, for example, the securities and Investment Managers that may be available for selection for the management of such Accounts, the products that may be available for investment in such Accounts, the manner in which transactions may be effected in such Accounts and the

fees and expenses that may be charged to such Accounts. As a result, application of the policies, restrictions and other terms and conditions may result in the performance of ERISA and IRA Accounts being worse than it would have been absent such policies, restrictions and terms and conditions.

### **Account Customization, Investment Restrictions and Wrap Fee Programs**

The Platform is designed to enable the Firm to comply with Rule 3a-4 under the Investment Company Act of 1940. As the Firm provides access to, and FIWA acts as the sponsor to the FMAX Platform, each Client's account is managed on the basis of the Client's financial situation and stated investment objectives, in accordance with the reasonable investment restrictions imposed by the Client on the management of the assets in the Account. Clients should understand that investment restrictions are not acted upon immediately by the Implementation Manager or discretionary Investment Managers due to the operational processes associated with communicating and reviewing such restrictions. In addition, investment restrictions can have an adverse effect on account performance, asset diversification and the stated investment objective of a Strategy, compared to an account that is fully invested in the investment solutions recommended by your Financial Advisor. Furthermore, the Firm is required to contact each Client at least annually, and will notify Clients quarterly, by a statement notice, to contact their Financial Advisor, in order to confirm whether there have been any changes to the Client's financial situation or investment objectives or whether they would like to impose or modify investment restrictions on the account. The Firm is responsible for gathering and notifying FIWA of any changes to a Client's financial situation, investment objectives, or any other change regarding the management of their account.

As of December 31, 2021, SLLC had approximately \$ 2,245,567,680 in discretionary Client assets under management.

## Item 5 – Fees and Compensation

The Firm and/or your Financial Advisor are compensated in several ways. We want to ensure that you understand how we, as a Firm, and our Financial Advisors are compensated, as well as the other costs associated with your Account. Here are a few important facts about the fees and costs associated with your Account and/or services rendered.

### Financial Planning

For its financial planning services, SSLLC does not charge a separate or additional fee for our financial plans.

### The FSP & SMA Programs

For its ongoing services to Clients in connection with the FSP Program and SMA Program, SSLLC receives a portion of the wrap-fee Program fee charged by FMAX to Program participants, based upon the total market value of Client assets that are participating in the FMAX Program through SSLLC:

Fund Strategist Portfolios *														
\$AUM	BlackRock (All)	Brinker (Dest)	Brinker (ETFh)	Clark Navigator	CLS American	Efficient Market	JAForlines	PMC Impact	Russell	Sage Advisory	Symmetry Structured	Vanguard	Wilshire (TA/Alt)	Wilshire (Income)
Up to \$250K	1.32%	1.32%	1.65%	1.32%	1.57%	1.60%	1.67%	1.53%	1.32%	1.60%	1.60%	1.32%	1.59%	1.52%
\$250K-500K	1.22%	1.22%	1.52%	1.22%	1.47%	1.50%	1.57%	1.43%	1.22%	1.50%	1.50%	1.22%	1.49%	1.42%
\$500K-1M	1.17%	1.17%	1.45%	1.17%	1.42%	1.45%	1.52%	1.37%	1.17%	1.45%	1.45%	1.17%	1.44%	1.37%
\$1M-2M	1.12%	1.12%	1.36%	1.12%	1.37%	1.40%	1.47%	1.31%	1.12%	1.40%	1.40%	1.12%	1.39%	1.32%
\$2M-3M	1.09%	1.09%	1.30%	1.09%	1.34%	1.37%	1.44%	1.27%	1.09%	1.37%	1.37%	1.09%	1.36%	1.29%
\$3M-5M	1.07%	1.07%	1.28%	1.07%	1.32%	1.35%	1.42%	1.25%	1.07%	1.35%	1.35%	1.07%	1.34%	1.27%
\$5M-10M	0.97%	0.97%	1.15%	0.97%	1.22%	1.25%	1.32%	1.15%	0.97%	1.25%	1.25%	0.97%	1.24%	1.17%
Above \$10M	0.87%	0.87%	1.05%	0.87%	1.12%	1.15%	1.22%	1.05%	0.87%	1.15%	1.15%	0.87%	1.14%	1.07%

\* All fee schedules include applicable manager fee

Separately Managed Accounts		
\$AUM	Equity *	Fixed Inc *
\$0-250K	1.40%	1.00%
\$250K-500K	1.30%	0.90%
\$500K-1MM	1.20%	0.80%
\$1MM-2MM	1.00%	0.70%
\$2MM-5MM	0.90%	0.70%
\$5MM+	0.80%	0.70%

\* 0.10%-0.60% manager fee NOT included

As discussed within Item 11 of this Brochure, SLLC is also the broker of record, or introducing broker, on all FMAX Program Accounts of SLLC Clients. FMAX and/or the Investment Managers appointed by FMAX may direct trades to another broker-dealer. In such cases the Client may be subject to additional conflicts of interest and fees. FMAX Program Clients should refer to FMAX's Client Brochure ("ADV Part 2a") and Form CRS for complete information.

### **The Unified Managed Account Program**

For its ongoing services to Clients in connection with the UMA Program offered by FIWA, SLLC receives a portion of the wrap-fee Program fee charged by FIWA to Program participants, based upon the total market value of Client assets that are participating in the FIWA UMA Program through SLLC:

UMA Client Fee					
Account Size/Tiers			SPC Client Fee	Non-SPC Client Fee	SPC Savings
Level Begin		Level End			
\$0	to	\$50,000	1.25%	1.25%	0.00%
\$50,000	to	\$250,000	1.20%	1.25%	0.05%
\$250,000	to	\$500,000	1.10%	1.20%	0.10%
\$500,000	to	\$1,000,000	1.00%	1.15%	0.15%
\$1,000,000	to	\$2,000,000	0.90%	1.05%	0.15%
\$2,000,000	to	\$3,000,000	0.80%	1.00%	0.20%
\$3,000,000	to	\$5,000,000	0.70%	0.95%	0.25%
\$5,000,000	to	\$10,000,000	0.65%	0.85%	0.20%
\$10,000,000	to	+	0.60%	0.80%	0.20%

## **General Information on Fees, Services and Best Execution.**

In general, Clients on the FMAX Platform will pay a wrap fee ("Program Fee") which includes the fees for the services of the Firm as well as fees associated with FMAX. The Program Fee generally includes investment management services composed of Investor profiling assistance, strategic asset allocation assistance, style allocation assistance, research and evaluation of investment Strategies and Funds, if applicable account performance calculations, account rebalancing, account reporting, billing administration, and other operational and administrative services. Certain fees may also be assessed separately from the Program Fee (as described more fully below in the section entitled "Costs not covered by Program Fee"). A wrap fee can be more or less than if all charges or fees were assessed and charged separately, typically a wrap fee will be higher than if you paid for all brokerage and execution costs separately.

In certain circumstances, fees may and will be negotiated on a case-by-case basis, depending on a variety of factors, including, but not limited to, the nature and complexity of the particular service, the Client's relationship with SLLC and the SLLC Financial Advisor, the size of the Account, the potential for other business or Clients, the amount of work anticipated, other qualifying accounts eligible to be household (this typically means adding the value of related family accounts (dependents) to achieve a higher breakpoint equaling a lower fee), and the attention needed to manage the Client's Account. It is the general practice of the Firm to not charge any Client an advisory fee (the "Program Fee") exceeding 3%. The Firm will periodically review all fees assessed to our Clients to ensure our billing practice is consistent with this practice. The Firm, at its discretion, may authorize exceptions to this policy at the direction of senior management. Please note, if the Program Fee is discounted for a Client, the Financial Advisor's compensation will be reduced to offset the discount in efforts to eliminate any conflict of interest. Please consult your Financial Advisor regarding any questions you may have about our Fees and your individual eligibility to receive a discount.

In addition to our standard fee schedule, certain Clients may qualify to take advantage of reduced advisory fees, through a household discount. In general, the value of additional qualifying accounts, accounts for your immediate dependents and spouse could be aggregated to achieve a lower advisory fee. Please consult your Financial Advisor regarding any questions you may have about your eligibility. Certain retirement accounts may not be considered for a household. All Client discounts are considered to be a tailored service and require an assessment and a discussion with your Financial Advisor. These discounts do not lead to any additional compensation received by your Financial Advisor or the Firm. Please see the applicable fee schedule on page 19.

Clients who have both a bank and Firm relationship may qualify to take advantage of reduced advisory fees, through the Santander Private Client Program ("SPC"). To be eligible, Clients must maintain a bank account or eligible bank product with Santander Bank, N.A. as well as an Account with the Firm with a minimum combined balance of \$250,000.00. Please consult your Financial Advisor regarding any questions you may have about this Program and your eligibility. All Client discounts are considered to be a tailored service and require an assessment and discussion with your Financial Advisor. These discounts do not lead to any additional compensation received by your Financial Advisor or the Firm. Please see the applicable fee schedule on page 19.

The Program Fee charged is calculated as an annual percentage of assets based on the market value of



the account at the end of quarter. The Program Fee calculation considers cash and cash equivalents. Typically, accounts will hold a cash position to cover fees, this is so securities do not have to be sold to cover advisory fees and other Program costs. Additionally, holding account assets in cash could be the desire of the Client, this can be both a short-term or long-term strategy. Please understand, cash is not excluded from the calculation of the Program Fee assessed to you. Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. Upon termination of any Account, any prepaid, unearned fees will be promptly refunded on a pro-rata basis, and any earned, unpaid fees will be due and payable.

When the Firm receives notice that the Account holder of an individual Account has died, the Firm will freeze the Account(s), prorate the fee based on the period of time during the billing period the Account was open and rebate any unused portion of the fee, and will await instructions from the executor or designated administrator of the deceased's estate. The Firm is not responsible for taking any action with respect to such Accounts prior to its receipt of appropriate instructions, which means that SLLC will not take action in response to market fluctuations or other factors that may adversely impact the market value of any Account.

It is the general practice of the Firm, and by extension our advisory platform provider FMAX and appointed Investment Managers, to invest our Clients in advisory or institutional share class mutual funds, or no-load or load-waived Class A share class mutual funds that are sold at net asset value. These mutual funds typically have lower fees and expenses, and do not pay the Firm marketing fees known as 12b-1 fees. The Firm remains committed to offering our Clients the lowest cost solutions when available. Should a Client desire to transfer an existing portfolio that is managed by a different Investment Advisor to SLLC, FMAX will require that all holdings, specifically mutual funds be the lowest cost share class available, typically advisory and institutional class funds. This may delay your account moving to SLLC, and/or require a fund conversation or the purchase of qualifying mutual funds for your account. Please discuss any questions you may have with your Financial Advisor.

The Firm intends to invest Client Accounts in the lowest cost share class of a mutual fund offered. Clients should be aware that certain lower cost fund share classes may be available outside of our services.

All fees paid to SLLC for investment advisory services are separate and distinct from the fees and expenses charged by any underlying funds and investment vehicles utilized in the FMAX Program. With respect to underlying funds that are mutual funds, these fees and expenses are described in the applicable mutual fund's prospectus and will generally include a management fee, other fund expenses and a possible distribution fee. A Client could invest in an underlying fund directly, without the services of SLLC or the Program provider. In that case, the Client would not receive the services provided by SLLC that are designed, among other things, to assist the Client in determining which Program is the most appropriate to each Client's financial condition and objectives.

Accordingly, each Client should review the fees charged by the underlying funds and investment vehicles, the Managers, FIWA the Program sponsor and SLLC to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided. Please speak to your Financial Advisor with any questions you have regarding the fees you pay for your investment. Certain Program sponsors such as FIWA as well as the Investment Managers they appoint may have the ability to

direct trades to other broker-dealers for execution. This may cause a conflict of interest as well as impose additional fees to Clients. Clients are encouraged to read and review all disclosure documents as well as the applicable wrap-fee Brochures. All questions regarding your fees should be directed to your Financial Advisor.

Employees who invest on the FMAX Program may receive a discount on a portion of, or all of, the associated management fees. This creates a conflict of interest, because as a fiduciary, a conflict can arise if one Client receives better pricing or better execution than another. Please discuss any concerns you may have with your Financial Advisor.

For a description of the conflicts of interest associated with SLLC receiving both brokerage commissions and advisory fees, please see Item 11, 12 & 14 for more transparency.

### **Blended Schedule (all Clients with the exception of our “Private Client Program”)**

A blended schedule looks at the Account value and compares it to a set fee schedule (as noted above). Based upon the value of the Account at the end of the billing period, the fee schedule identifies specific portions of the Account value to be charged at different fee rates. The total value of the Account is compared against this schedule and, based on the Account size, the different fee rates are blended to determine the total quarterly Account fee for that period. This means, if your account value increases (additional investments, growth, additional qualifying household accounts), you will be subject to a lower fee when certain amounts of your investment meet the breakpoints as shown on the fee schedule. Conversely, should the value of your account fall under a pricing breakpoint, this can happen due to withdrawals and/or performance, you will be subject to the higher fee.

### **Santander Private Client Fee Schedule**

Bank customers, who currently maintain an eligible bank account or product with Santander Bank, N.A. as well as an advisory Account with SLLC with a combined minimum balance of \$250,000.00, will have an opportunity to receive a discounted advisory fee. Additionally, employees of Santander and our affiliates qualify for these discounted fees. These discounts do not lead to any additional compensation received by your Financial Advisor or the Firm. Should you have any questions about the applicable fees or eligibility to participate, please contact your Financial Advisor for more information. Please note, in some cases previously negotiated fees may present our Clients with a more favorable fee than if they participated in this Program, each situation is distinct and will need to be discussed with your Financial Advisor.

FSP Pricing		SMA - Equity or Balanced		SMA - Fixed Income or Funds		UMA Pricing	
Client \$AUM	SPC Rate	Client \$AUM	SPC Rate	Client \$AUM	SPC Rate	Client \$AUM	SPC Rate
<\$50k	1.32%					<\$50k	1.40%
\$50k<\$250k	1.27%	\$100k<\$250k	1.30%	\$100k<\$250k	0.95%	\$50k<\$250k	1.35%
\$250k<\$500k	1.25%-1.24%	\$250k<\$500k	1.23%-1.22%	\$250k<\$500k	0.93%-0.92%	\$250k<\$500k	1.35%-1.32%
\$500k<\$1mm	1.20%-1.17%	\$500k<\$1mm	1.14%-1.12%	\$500k<\$1mm	0.85%-0.82%	\$500k<\$1mm	1.27%-1.24%
\$1mm<\$2mm	1.00%-0.98%	\$1mm<\$2mm	0.90%-0.88%	\$1mm<\$2mm	0.70%-0.68%	\$1mm<\$2mm	1.02%-0.96%
\$2mm<\$3mm	0.93%-0.92%	\$2mm<\$3mm	0.83%-0.82%	\$2mm<\$3mm	0.63%-0.62%	\$2mm<\$3mm	0.93%-0.90%
\$3mm<\$5mm	0.89%-0.87%	\$3mm<\$5mm	0.79%-0.77%	\$3mm<\$5mm	0.59%-0.57%	\$3mm<\$5mm	0.85%-0.83%
\$5mm<\$10mm	0.82%-0.81%	\$5mm<\$10mm	0.72%-0.71%	\$5mm<\$10mm	0.52%-0.51%	\$5mm<\$10mm	0.78%-0.76%
\$10mm+	0.72%-0.70%	\$10mm+	0.67%-0.65%	\$10mm+	0.47%-0.45%	\$10mm+	0.67%-0.65%
Note: Pricing does NOT include fees charged by the Manager, if applicable; for example, for \$500k in Equity SMA with Manager fee of 0.40%, all-in Client rate would be 1.54% (1.14% +0.40%)							

### Costs Not Covered by the Program Fee

The Program Fee does not include the costs of certain ancillary services charged to you by the Program Custodian not SLLC, including regulatory fees, fees for ACAT exits, mutual fund surcharges, returned checks, stop payment requests, research, and small Account balances, as well as wire fees and certain fees relating to use of the mail, including postage and handling charges, receiving paper documents to name a few. The Program Fee also does not include the fees and expenses Clients will be responsible for paying as a shareholder in each of the exchange traded funds (“ETFs”) within a Client’s Account. All ETFs will have ongoing expenses that will impact the return received by the relevant Account. These ongoing expenses include management fees, distribution expenses, shareholder servicing, administrative service and similar fees. These fees and expenses are subject to change. A detailed explanation of fees and expenses is contained in each prospectus. Clients should carefully read each fund’s prospectus.

In connection with a Client’s investment in an American Depositary Receipt (“ADR”), the Investor could incur additional expenses and fees that are not included in the Program Fees. For example, ADRs could be subject to dividend withholding taxes from the country of origin, which are an additional expense and reduce the dividend paid to the Investor. The Client, or FIWA’s affiliate, as custodian, is responsible for filing the appropriate forms/filings in the foreign country to reclaim any dividend withholding. In addition, paying agents who process ADR dividend payments to a Client will assess a fee for their services, which also reduces the dividend paid to the Investor.

The typical additional fee for each of Tax and Impact Overlay Services (described above in “Advisory Business”) is 0.10% annually, which is applied to the Investor’s whole account, and it applies when Tax Overlay, Impact Services, or both are provided to an account.

The cost of investment advisory services provided through FMAX may be more or less than the cost of purchasing similar services separately. Among the factors impacting the relative cost of FMAX to a particular Investor include the size of the account, the type of Advisory Program, the size of the assets devoted to a particular strategy, and the discretionary Investment Managers and Funds selected.

Please refer to the “[Fee Schedule](#)” for more information regarding such additional fees, including respective rates. The Fee Schedule may be revised from time-to-time, as further discussed in the “Changes in Our Fees” section below. SLLC also provides the Fee Schedule to all Clients no less than annually. Additionally, please refer to the FMAX Client Brochure (“ADV Part 2A”) for all other Program fees.

### In-Kind Transfers

If a Client transfers assets into their Account “in kind,” the Manager will have the discretion to sell, liquidate or dispose of some or all of those assets either immediately or at a future point in time. In such event, a Client will incur a brokerage commission or other charge, including a CDSC or other like fees. The “in kind” transfer or liquidation of assets also may have tax consequences for the Client. Accordingly, Clients should consult with their Financial Advisor and tax Advisor before transferring assets in-kind into an Account.

### General Information on Fees, Services and Best Execution

When SLLC receives notice that the Account holder of an individual Account has died, SLLC will freeze the Account(s), prorate the fee based on the period of time during the billing period the Account was open and rebate any unused portion of the fee, and will await instructions from the executor or designated

administrator of the deceased's estate. SLLC is not responsible for taking any action with respect to such Account(s) prior to its receipt of appropriate instructions, which means that SLLC will not take action in response to market fluctuations or other factors that may adversely impact the market value of any Account.

We act as a broker-dealer in addition to acting as an investment adviser. If a Client opens an Account with securities previously purchased through us or one of our Financial Advisors, that Client will already have paid a commission on the purchase to us or their Financial Advisor, or both. Similarly, if a Client opens an Account with cash proceeds from the sale of securities in a brokerage account through us or our Financial Advisor acting as broker-dealer, we or the Financial Advisor, or both, may have already received commissions on the sale. SLLC does monitor investments that may have been recommended and liquidated in a short period of time (in general, 2 years or less) where a new recommendation may be made. In some cases, SLLC will offer Clients a rebate of certain commissions and charge-back the original commission earned by the Financial Advisor when deemed appropriate by the Firm.

For a description of the conflicts of interest associated with SLLC receiving both brokerage commissions as a Broker-Dealer and advisory fees as an Investment Advisor (SLLC receives no brokerage commissions in the capacity of an Investment Advisor), please see Item 11 in this Brochure for more information.

#### Changes in Our Fees

SLLC and FIWA, upon 30 days prior notice to Clients, may revise the Program Fee or the Fee Schedule, including in a way that may cause the fees payable by a Client to increase. **A Client will be deemed to have approved a fee change unless he or she objects to the fee change by sending written notice to us or FIWA, as applicable, within 30 days from the date of the fee increase notification.** We further reserve the right to negotiate, discount or waive any fees associated with the Program in general or payable by any particular Client, or group of Clients, in our sole discretion. Furthermore, our employees and employees of our affiliates may be entitled to a discount of the Program Fee by virtue of their association with us. In general, if the Program Fee is decreasing, notice will be made and be provided in our ADV Part 2A Brochure. The Firm provides all Clients with a summary of all changes made to the Program no less than annually, this notice includes an offer for the full Brochure at no cost to you.

#### Account Termination

A Client's FMAX Program investment advisory agreement is not effective until it is accepted by SLLC. In addition, Clients, SLLC, and FIWA each have the option to terminate any Account by providing written notice to the other party.

#### **Item 6 – Performance Based Fees**

SLLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of an Account or any portion of an Account of an advisory Client.

#### **Item 7 – Types of Clients**

SLLC's advisory services are available to individuals, corporations and other businesses, state or municipal government entities, pension and profit-sharing plans, and charitable organizations. Clients are not required to have a certain amount of investment experience, personal wealth or sophistication. SLLC generally imposes a \$2,000 minimum investment from Clients to participate, which can be reduced or waived at SLLC's sole discretion.

The following sets forth the applicable investment minimums for Client Accounts participating in our Program (*The Firm and/or the applicable platform Manager reserves the right, to accept investments below the stated minimums on an exception basis*):

- Unified Managed Account Program (UMA): \$25,000
- Fund Strategist Programs (FSP): \$25,000
- Separately Managed Accounts (SMA): \$250,000
- Digital Advisory Program: \$2000 (Please refer to the separate "Digital Advisory Program Brochure")

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

SLLC Financial Advisors analyze investment products, models and Managers and recommend those products that they believe are suitable to their Clients. They use various sources of information to assist them in their investment analysis process. The sources may include, but are not limited to, financial publications, research and technology provided by FMAX and NFS, corporate rating services and independent third-party research (e.g., Credit Suisse, Morningstar, and Standard & Poor's.) As a Firm, SLLC does not favor any specific method of analysis.

FMAX provides investment research and due diligence on Fund Strategists, SMAs, and Funds to the Firm using four categories of investment research ratings (which may also be referred to as research statuses): "Available", "Meets-Quantitative", "Meets-Qualitative", and "Preferred".

For the Fund Strategists, SMAs, and Funds categorized as "Available," FIWA has either not reviewed the investment merits of the Fund Strategist, SMA, or Funds or the Fund Strategist, SMA, or Funds did not pass the review criteria to be rated Meets-Quantitative, Meets-Qualitative, or Preferred. In either case, FIWA makes no recommendations concerning the use of Available Fund Strategists, SMAs, or Funds. Instead, the Firm is responsible for determining that it has sufficient information about Available Fund Strategists, SMAs, and Funds to select them for its Clients. Please refer to the FMAX ADV Part 2A for more detailed information. Please note, it is possible that an Advisory Program meets our minimum due-diligence requirements at the point of sale, and then perhaps downgrades to an "available" status at some point in the future. Should this happen, the Firm and/or Financial Advisor will contact our Clients to inform them of this change in status and work with our Clients should they want to retain their current positions or entertain a new Advisory Program.

### **Risk of Loss**

Investing in securities involves risk of loss that Clients should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may

be less than the price paid for the securities. Even when the value of the securities sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Each of the Managers selected by FMAX for participation in their respective Programs may utilize specific strategies which create additional investment risk potential for Clients. While these risks are factored into the advisory services that SLLC offers as part of the initial and ongoing selection of specific participating Managers, Clients should refer to FMAX's wrap-fee Program Brochures and/or the Forms ADV Part 2A disclosure documents of participating Managers for specific investment risks associated with their investment process.

Where applicable, mutual funds and ETFs utilized by FMAX and/or their respective Managers may include funds invested in domestic and international equities, including real estate investment trusts ("REITs"), and corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual fund and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds that may be used in FMAX investment strategies are the U.S. and international small capitalization and small capitalization value funds, emerging markets funds and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds that may be utilized by FMAX may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in mutual fund prospectuses within each applicable sector.

Regardless of the investment strategy utilized, there is a risk of loss of principal and in some cases a complete loss of principal. Additional risks you need to be aware of prior to investing include, but are not limited to:

- **Market Risk:** The possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be minimized by hedging. The risk that a major natural disaster will cause a decline in the market as a whole is an example of market risk. Other sources of market risk include recessions, public health crises, including pandemics, political turmoil, changes in interest rates and terrorist attacks.
- **Interest Rate Risk:** The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship. Such changes usually affect securities inversely and can be reduced by diversifying (investing in fixed-income securities with different durations) or hedging (e.g., through an interest rate swap).

- **Foreign Exchange Risk:** The risk of an investment's value changing due to changes in currency exchange rates. The risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates (also known as "currency risk" or "exchange-rate risk").
- **Credit Risk:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and default on its obligations.
- **Management Risk:** The services we offer may involve your Financial Advisor developing and implementing an investment strategy or recommending a third-party Manager to do the same for you. Developing and implementing a profitable investment strategy inherently involves making decisions about the future behavior of, among other things, the securities markets as a whole and the market for individual securities. Because there is no available methodology for accurately predicting future events over time, there can be no guarantee that your Financial Advisor or third-party Manager will be successful in developing or recommending a profitable investment strategy for you or in implementing the strategy they or the third-party Manager develops or recommends.

#### Reliance on third-party information

SLLC conducts their analyses using detailed historical and forward-looking information. The Firm relies on third-parties, which may include certain financial institutions, for the provision of market statistics, fund details, performance, and related information and although these parties are generally reliable and reputable, there may be inaccuracies or discrepancies in the information that is beyond SLLC's control, and is not independently verified by SLLC.

SLLC's recommendations are based on the information and data filed by the issuers of securities with various government regulators or made directly available to SLLC by such issuers, or indirectly through other third-party sources. Although SLLC, through the FMAX Program, evaluates such information and data, SLLC is not in a position to confirm the completeness, genuineness, or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

SLLC bases its recommendations and/or guidance on information provided by Clients to provide accurate information. If a Client provides inaccurate information, this will impact the quality and relevance of SLLC's recommendations or guidance.

#### Transaction Costs and Frequency of Trading

With the exception of recommendations specifically focused on the frequency of the Client's trading (e.g., a recommendation to trade less frequently), SLLC does not consider the frequency of a Client's trading when the computer software generates a recommendation. If a Client's investment approach involves a high level of trading and turnover of their investments, such approach may generate substantial transaction costs, have tax implications (such as short-term capital gains) and other similar consequences that could negatively impact the value of the investment portfolio. Clients should bear these transaction costs in mind when deciding whether to follow the recommendations generated by the FMAX Program.

#### Certain Characteristics of Existing Portfolios



SLLC does not consider the restrictions that may be inherent in a Client's existing investment Accounts when making investment recommendations. For example, when making a recommendation to sell a security and replace it with a similar security, SLLC does not consider (but attempts to disclose) whether the existing security would be subjected to an early redemption fee if the Client sells such security. Further, SLLC does not consider the brokerage costs for effecting transactions in the Client's existing investment Accounts when making securities recommendations. Clients should consider such potential costs, if applicable, and consult their financial advisors, as necessary, before acting on an investment recommendation made by SLLC.

#### Tax Impact Overlay and Loss Harvesting

Clients should confer with their personal tax advisor regarding the tax consequences of investing with SLLC and engaging in the tax-loss harvesting strategy, based on their particular circumstances. Clients are responsible for how the transactions in their Accounts are reported to the Internal Revenue Service ("IRS") or any other taxing authority. SLLC assumes no responsibility to Clients for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy, or otherwise. The performance of the new securities purchased for tax-loss harvesting purposes may have different expenses, returns, volatility and other characteristics relative to the securities that are sold for tax-loss harvesting purposes. The effectiveness of the tax-loss harvesting strategy to reduce tax liability will depend on the Client's entire tax and investment profile, including purchases and dispositions in Accounts (e.g., Client's or Client's spouse's) outside of FIWA and SLLC, and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws, e.g., if there are insufficient realized gains in the tax period, the use of harvested losses may be limited to a \$3,000 deduction against income and distributions. Losses harvested through the strategy that are not utilized in the tax period when recognized (e.g., because of insufficient capital gains and/or significant loss carryforwards), generally may be carried forward to offset future capital gains, if any.

#### Legislative and Regulatory Risk

Investments may be adversely affected by new or revised laws or regulations. Changes to laws or regulations will impact the securities markets as a whole, specific industries, individual issuers of securities, and the Investment Managers' determinations with respect to the expected rate of return, value, tax treatment, or creditworthiness of a particular security. The impact of these changes may not be fully known for some time.

#### Acts of God and Geopolitical Risks

The performance of your Account(s) could be impacted by Acts of God or other unforeseen and/or uncontrollable events (collectively, "disruptions"), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These disruptions may affect the level and volatility of

security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in it suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions. The extent of the impact of any such disruption on us, you, and any underlying portfolio investments' operational and financial performance will depend on many factors, including the duration and scope of such disruption, the extent of any related travel advisories and restrictions implemented, the impact of such disruption on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A disruption may materially and adversely impact the value and performance of any investment, our ability to source, manage and divest investments, and our ability to achieve your investment objectives, ultimately resulting in significant losses to you. In addition, there is a risk that a disruption will significantly impact, or even temporarily or permanently halt, our operations and/or the operations of any underlying portfolio funds and companies.

#### Model Overlay Risks

There are risks associated with Model implementation for Model-traded FMAX accounts. The implementation of a Model in a Client's account relies on the Implementation Manager's ability to purchase the investments in the Model Provider's portfolio recommendations. This may not be possible due to liquidity constraints or aggregate holdings limitations, among other reasons. This could result in deviation of performance between the Model and the Investor's accounts.

#### Cybersecurity Risks

With the increased use of technologies to conduct business, SLLC, FIWA, and their affiliates are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; and causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate asset prices, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including the Firm and service providers) and other parties. **SLLC is not responsible to any Client for losses unless caused by SLLC's breach of its fiduciary duty.**

#### Volatility Risk

The prices of certain products in the Account have been subject to periods of excessive volatility recently and in the past, and such periods can be expected to continue or recur. While volatility can create profit opportunities for the Account, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted and may cause what should otherwise be comparatively low risk positions to incur losses. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. The expanded influence of social media platforms on the market, combined with the access to costless retail brokerage, can exacerbate the volatility of particular issuers.

## **Material Risks of Investing in Mutual Funds, ETFs and other Investments**

### **Exchange-Traded Funds (“ETFs”)**

An ETF generally is an investment company, unit investment trust or a portfolio of securities deposited with a depository financial institution in exchange for depository receipts. The portfolios of ETFs generally consist of common stocks that closely track the performance and dividend yield of specific securities indices, either broad market, sector or international. Fixed income ETFs generally consist of bonds issued by corporations or government. ETFs provide investors the opportunity to buy or sell throughout the day an entire portfolio of stocks in a single security. Although index mutual funds are similar, their shares are generally issued and redeemed only once per day at market close. Investment in an ETF involves payment of such company's pro rata share of administrative fees charged by such company, in addition to those paid by a Client. Supply and demand in the market for either the ETF and/or the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

### **Mutual Funds**

An investment in mutual funds could lose money over short or long periods. Clients should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market.

An ETF's or mutual fund's performance could be impacted by a number of factors including, but not limited to:

Investment style risk: The chance that returns from small and mid-capitalization growth stocks will trail returns from the overall stock market. Historically, small and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. Small and mid-size companies tend to have greater stock volatility because, among other things, these companies are more sensitive to changing economic conditions than large companies.

Market risk: The chance that stock prices overall will decline.

Manager risk: The chance that an ETF or a mutual fund the Manager may make a poor security selection or focus on securities in a particular sector, category, or group of companies will cause the mutual fund to underperform relevant benchmarks or other funds with a similar investment objective.

Interest rate risk: The chance that bond prices will decline because of rising interest rates. Interest

rate risk should be moderate for the fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

#### Other Risk Factors to Consider:

- Inflation Risk
- Currency Risk
- Reinvestment Risk
- Business Risk (related to particular industries or companies within an industry)
- Financial Risk (related to borrowing and bankruptcy)
- Liquidity Risk
- Fixed Income Risk
- Foreign and Emerging Markets Equity Risk
- High Yield Fixed Income Securities Risk
- Diversification Risk
- Tactical Strategy Risk

#### Alternative Investments

Alternative investments are classified as assets whose investment characteristics and/or performance differ substantially from the primary asset classes and therefore offer opportunities for additional diversification. The Platform does not make available private equity, hedge funds, or similar investments directly in Platform accounts; however, FMAX may offer access to mutual funds that invest significantly in these instruments, and therefore Investors may have indirect exposure to these types of investments. Generally, alternative investments may be illiquid.

#### Real Estate

Real estate is a cyclical industry that is sensitive to interest rates, economic conditions (both nationally and locally), property tax rates, and other factors. Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.

#### Commodity-Linked Investments

Commodity-linked investments may be more volatile and less liquid than the underlying commodity, instruments, or measures, and their value may be affected by the performance of the overall commodities markets, as well as by weather, political, tax, regulatory, and market developments.

### **Item 9 – Disciplinary Information**

As a registered investment adviser, SLLC is required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client or prospective Client's evaluation of SLLC or the integrity of SLLC's management. Documented below are disciplinary events that may be material to your evaluation of SLLC.

On January 6, 2020, SSLLC entered into a settlement agreement because a single investment adviser representative employed by SSLLC provided advisory services in the state of New Hampshire prior to being registered to do so. The Firm should note that the IAR held a valid advisory license during the relevant time period; however, due to an administrative oversight, the Firm failed to register that license from May 2018 to July 2019. The settlement included a \$35,000.00 fine and \$15,000.00 for the cost of the investigation and unpaid fees.

On June 3, 2019, without admitting or denying any allegations or conclusions of law, SSLLC entered into an assurance of discontinuance ("AOD") with the Commonwealth of Massachusetts. After an investigation conducted by the Attorney General's Office ("AGO"), the AGO alleged that a Massachusetts based SSLLC registered representative ("RR") engaged in the sale of unsuitable variable annuity products to Massachusetts customers, including seniors. The AGO further alleged that from 2012 to 2014, SSLLC failed to adequately supervise the RR's sale activities, enabling him to commit unfair and deceptive sales practices. In addition, the AGO alleged that SSLLC failed to take adequate steps to reduce customer confusion between the broker-dealer and the bank.

SSLLC offered to reimburse certain of the Massachusetts RR's customers' surrender charges and/or certain Massachusetts Clients of the firm, who indicated they were confused. SSLLC provided certain Massachusetts Clients with a reminder that variable annuities are not FDIC insured, may lose value, are not bank guaranteed and were sold by the broker-dealer, not the bank. In addition, the Firm reminded the firm's RRs of the definition of investment experience and general investment knowledge as defined and used in the Firm's new Account form and provided a notice to the Firm's RRs concerning appropriate methods for describing the differences between the broker-dealer and the bank during certain contacts with Massachusetts customers. SSLLC paid a penalty of \$100,000, and offered the reimbursement of surrender charges, totaling approximately \$140,000 to certain Massachusetts Clients, if they chose to surrender their annuity.

On March 11, 2019, SSLLC, without admitting or denying the findings, consented to the entry of an Order (File No. 3-19043) by the SEC Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, Imposing Remedial Sanctions and imposing a Cease-and-Desist Order (the "Order"). The Order stated that from January 1, 2014 to September 30, 2016, the Firm 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 Clients were eligible, that the Firm and its associated persons received 12b-1 fees in connection with these investments, and that the Firm failed to adequately disclose on its Form ADV the conflicts of interest related to its receipt of 12b-1 fees and its selection of mutual fund share classes that pay such fees. The Order also stated that the above-described conduct constituted a violation of Sections 206(2) and 207 of the Advisers Act. The Order required the Firm to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 207 of the Advisers Act and to pay disgorgement and prejudgment interest to affected investors totaling \$270,539.89.

On December 14, 2018, without admitting or denying the findings, the Firm consented to sanctions alleged by the State of New Hampshire and to the entry of findings that in two transactions, executed in 2011 and 2013, the Firm sold municipal securities that may have violated MSRB Rule G-27. The Firm agreed to pay a \$2,500 fine, \$7,500 investigation costs, and a total of \$31,154.33 in restitution to the two affected Clients.

On June 6, 2017, the Firm settled with the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (“OCFI”) for alleged unsuitable transactions involving the sale of Puerto Rico closed end funds and Puerto Rico bonds to 16 customers located in Puerto Rico. Without admitting or denying any responsibility or wrongdoing, the Firm paid restitution to the 16 affected customers and paid a fine of \$1,000,000.

On March 6, 2017, the Firm entered into an AWC (“Acceptance, Waiver and Consent”) with FINRA. Without admitting or denying the findings, the Firm consented to the sanctions and to the entry of findings that in twelve transactions, the Firm sold municipal securities for its own Account to a customer at an aggregate price (including any mark-up) that was not fair and reasonable. The Firm was censured, fined \$175,000.00, and agreed to restitution of approximately \$62,807.48 plus interest for twelve transactions.

On September 26, 2016, a shareholder derivative and class action suit was brought by customers of certain Puerto Rico closed-end funds in Puerto Rico state court against Banco Santander, S.A., Santander Bancorp, Banco Santander Puerto Rico, Santander Securities LLC, Santander Asset Management LLC, and several directors and senior management of those entities in September 2016. Brought on behalf of the funds and of Puerto Rico based investors, the complaint alleges that the entities and individuals created, controlled, managed, and advised certain closed-end funds to the detriment of the funds and their shareholders from March 1, 2012 through September of 2016. A notice of removal to federal court has been filed.

On October 13, 2015, the Firm was censured, fined \$2 million, agreed to restitution of approximately \$4.3 million in connection with certain solicited purchases of Puerto Rico municipal bonds and restitution and rescission offers of approximately \$121,000 in connection with certain employee transactions. The Firm also consented to revise certain supervisory systems and procedures relating to concentration, margin, and supervision of customer transactions and the use of certain tools by registered representatives.

As part of a routine examination of SLLC’s operations for the period from August 1, 2007 to September 30, 2011, the OCFI noted certain potential deficiencies with a bank referral Program which was discontinued in 2009. On May 16, 2014, SLLC, entered into a confidential settlement agreement with the OCFI which included a voluntary contribution of \$15,000 to their Securities Trading, Investor Education and Investigation Fund.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Other Financial Industry Activities**

In addition to the advisory services discussed in this Brochure, SLLC is also a full-service registered broker-dealer operation which engages in retail and institutional sales. Registered representatives (certain personnel of the broker-dealer) sell and/or provide access to retail investments, including but not limited to variable annuities, fixed annuities, equities, ETFs, bonds and market linked CDs, operating as a division of SLLC under the name of “Santander Investment Services”. Securities clearing are provided on a fully disclosed basis to Clients by NFS, who is wholly owned by Fidelity Global Brokerage Group, Inc. SLLC effects transactions as a broker or agent for both advisory Clients and broker dealer Clients.

SLLC is a wholly-owned subsidiary of Santander Holdings USA, Inc., a holding company for Santander Bank, NA that provides various banking products and services primarily in the Mid-Atlantic and Northeastern United States. Santander Holdings USA, Inc. is a subsidiary of Banco Santander, S.A., a public reporting company traded on the New York Stock Exchange. While this is not an exhaustive list, other affiliates of SLLC include:

- ***Santander Bank, N.A., a national banking association whose primary business consists of attracting deposits from its network of retail branches, and originating small business and middle market commercial loans, and auto and other consumer loans in the communities served by those offices.***
- ***Banco Santander International provides private banking products and services to non-U.S. Clients.***

Through the agreement SLLC has entered into with Santander Bank, N.A., Clients of this financial institution may be referred to SLLC by a Licensed Bank Employee (“LBE”) registered as a representative of SLLC. The LBE may receive compensation for referring such Clients to SLLC. Additionally, non-licensed bank employees could refer a Client to SLLC. For doing this, non-licensed bank employees could be eligible to receive a one-time nominal referral fee; this is not paid by SLLC. Any referral fee paid is paid by the bank as their compensation to employees of the bank. SLLC does not pay any referral fees.

Certain representatives of SLLC, in their individual capacities, are agents of SLLC. As such, when Clients utilize these individuals in their capacity as registered representatives or as insurance agents, such individuals will be able to receive separate, yet customary, commission compensation resulting from implementing product transactions on behalf of such Clients. As such, it is a conflict of interest as SLLC and our Financial Advisors may be compensated more when they advise our Clients to participate in certain financial products or services. For more information about how SLLC is compensated and related conflicts of interests, please refer to our Compensation Disclosure and our Conflicts of Interests Disclosure documents (links provided in Item 4, above).

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

As required by applicable law, SLLC has adopted a Code of Ethics establishing policies and procedures for SLLC to handle actual and potential conflicts of interest that arise from providing advisory services. SLLC’s Code of Ethics describes SLLC’s fiduciary duties and responsibilities to Clients and sets forth SLLC’s practice of supervising the personal securities transactions of employees with access to Client information. Individuals associated with SLLC may buy or sell securities for their personal accounts identical to, or different than, those recommended to Clients. It is the express policy of SLLC that no person associated with SLLC shall prefer his or her own interest to that of a Client or make personal investment decisions based on investment decisions of Clients. SLLC’s Code of Ethics also requires that SLLC and its directors, officers, and employees comply with federal securities laws.

To supervise compliance with its Code of Ethics, SLLC requires that anyone associated with SLLC’s

advisory business with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to SLLC's principals. SLLC also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any initial public offerings (IPOs) or private placements (limited offerings). Further, SLLC has implemented surveillance and exception reports that are designed to identify and correct situations in which an employee's personal trading may conflict with that of a Firm's customer.

SLLC's Code of Ethics further includes SLLC's policy prohibiting the use of material non-public information and protecting the confidentiality of Client information. SLLC requires that all individuals must act in accordance with all applicable U.S. federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above will be subject to discipline.

SLLC will provide a complete copy of its Code of Ethics to any Client or prospective Client upon written request to the Compliance Department at Santander Securities LLC, 2 Morrissey Blvd., Dorchester, MA 02125.

### **Conflicts of Interest**

Section 206(2) of the Advisers Act prohibits an investment adviser, directly or indirectly, from engaging "in any transaction, practice, or course of business which operates as a fraud or deceit upon any Client or prospective Client," and imposes a fiduciary duty on investment advisers to act for their Clients' benefit, including an affirmative duty of utmost good faith and full disclosure of all material facts. Under Section 206(2), an investment adviser has a fiduciary duty to disclose to its Clients all conflicts of interest which might incline an investment adviser consciously or unconsciously to render advice that is not disinterested. A conflict of interest is a material fact that an investment adviser must disclose to its Clients.

Clients should be aware that the compensation to SLLC will differ according to the specific Advisory Program chosen. SLLC has an incentive to drive Clients to invest in Programs that will pay us more. Compensation to your Financial Advisor will be level no matter what Advisory Program is chosen, mitigating conflicts of interest based on the solution they recommend. The compensation to SLLC may be more than the amounts we would otherwise receive if you participated in another Program or paid for investment advice, brokerage, and/or other like services separately. We urge you to discuss compensation with your Financial Advisor in order to gain full transparency on how he/she is compensated and discuss all present conflicts of interest. Further, please be mindful that similar services or products may be available at other institutions at a lower cost.

It is the general practice of the Firm, and by extension our advisory platform provider FMAX and appointed Investment Managers to invest our Clients in advisory or institutional share class mutual funds, or no-load or load-waived Class A share class mutual funds that are sold at net asset value. These mutual funds typically have lower fees and expenses, and do not pay the Firm marketing fees known as 12b-1 fees. The Firm remains committed to offering our Clients the lowest cost solutions when available.

In certain cases, you could request to transfer a non-platform mutual fund (*either a legacy Program asset or another holding not currently in a managed Account*) that has a 12b-1 fee into your managed Account. The Firm will not collect/retain 12b-1 fees from a qualifying mutual fund that has been invested in a managed



Account, the Firm has worked with our custodian, NFS, to rebate these fees back to our Client's Accounts. For a description of all available share classes for a given mutual fund, please refer to the fund's prospectus. Please contact your Financial Advisor for information about any limitations on share classes available.

The Firm, and FMAX appointed Investment Managers intend to invest Client Accounts in the lowest cost share class of a mutual fund offered in efforts to comply with our best execution obligations. Clients should be aware that certain lower cost fund share classes may be available outside of our services.

Although it is the intent of the Firm and Program to invest our Clients in the lowest cost share class of Mutual Funds available, the Firm does not represent to invest our Clients in the lowest cost Advisory Program available on platform. Our recommendation(s) to invest in any Advisory Program(s) is based on the financial needs, objectives and appetite of our Clients, not the cost of any particular Program. This presents a conflict of interest, as certain Clients will pay more or less for their Advisory Programs. The Firm offers 4 different Advisory Programs, which consists of FSPs, SMAs, UMAs and Digital Advisory. Each Advisory Program may present a different cost or cost structure to the Client, and that cost is not a factor in our recommendation to you. Please discuss Program costs with your Financial Advisor should you have any questions.

The material reportable conflicts of interest encountered by a Client include, but are not limited to, those discussed below. Other conflicts are disclosed throughout this Brochure, which should be read in its entirety.

#### Transactions with Affiliates

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the Clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a Client (a "principal transaction"), the adviser must make certain disclosures to the Client of the terms of the proposed transaction and obtain the Client's consent to the transaction. In connection with SLLC's advisory Clients, SLLC and its affiliates do not engage in principal transactions.

In connection with SLLC effecting transactions as broker or agent for both advisory Clients and other Clients, SLLC may, on occasion, act as a broker for an advisory Client on one side and a Client for whom it does not act as investment adviser on the other side of the securities transaction. Such "agency cross" transactions are permitted when the Account has granted its prior permission in conformity with Rule 206(3)-2 of the Advisers Act, or when permission to effect the individual transaction has been granted prior to the completion of the transaction. SLLC faces potentially conflicting division of loyalties and responsibilities to the parties in agency cross transactions. SLLC has adopted policies and procedures in relation to agency cross transactions and the actual or potential conflicts of interest they create. SLLC addresses these conflicts by disclosing them to Clients, and not effecting any such transactions unless SLLC determines that the transaction is in the best interest of each Client and permitted by applicable law.

Please review and discuss with your Financial Advisor the SLLC "Conflicts of Interest Disclosure" and the "Compensation Disclosure" documents that can be found on our website for more transparency into the ways the Firm is compensated for the products and services we provide to our Clients.

## Item 12 – Brokerage Practices

### **Brokerage**

Execution and clearance of transactions for advisory Clients are provided by NFS, which also acts as custodian on the Accounts. Clients participating in the FMAX Program should understand that SLLC, in its separate capacity as a broker-dealer, is also the introducing broker on a fully disclosed basis on each participating Client Account. Although it does not currently receive brokerage compensation for acting as introducing broker with respect to the FMAX Program, SLLC may in the future receive separate and typical brokerage compensation as a result with respect to such Accounts.

As discussed under Item 10, SLLC has affiliated entities, however, none of these affiliates serve as a Manager within the FMAX Program or provide/offer Clients any advisory services or investment advice.

If SLLC receives brokerage commissions, such brokerage commissions may give SLLC and its affiliates an incentive to recommend investment products based on the compensation received, rather than on the Client's needs. Clients have the option of purchasing investment products that SLLC recommends through other brokers or agents that are not affiliated with SLLC, if those purchases are done outside the advisory relationship with SLLC. Advisory fees paid by Clients to SLLC are not reduced to offset any brokerage commissions received.

With respect to our managed Accounts, while SLLC is able to negotiate competitive pricing from NFS that it believes is beneficial to its Clients, SLLC does receive an economic benefit from using itself as a broker-dealer rather than an unaffiliated broker-dealer. As broker-dealer of record, SLLC receives the mutual fund 12b-1 service fees, in our capacity of a broker-dealer, charged to Clients by the underlying funds they own. This additional compensation received by SLLC as broker-dealer may represent a conflict of interest with SLLC's Clients.

### **Best Execution**

It is SLLC's policy to seek "best execution" for our Program Clients. "Best execution" means obtaining for a Client the most favorable execution, usually the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer. Best execution is not measured solely by reference to commission rates or price. For example, paying a broker a higher commission rate than what another broker might charge is appropriate if the difference in cost is reasonably justified in seeking what is in the best long-term economic interests of SLLC's Clients.

SLLC believes that for the vast majority of securities transactions for its Clients, best execution is not quantifiable, but rather is a set of quality standards – a trading process that seeks to maximize the value of a Client's portfolio over the course of time, given the stated investment objectives and circumstances. In short, SLLC seeks to achieve the best overall end result for each Client. Maximizing long term profit for SLLC's Clients takes precedence over short-term goals of cost efficiency in connection with individual trades.

## **Research and Other Soft Dollar Benefits**

SLLC does not receive research or other products or services other than execution from a broker- dealer or a third party in connection with Client securities transactions.

## **Directed Brokerage**

All transactions in the Account will be effected through NFS as clearing broker and Program Custodian, with SLLC acting as introducing broker. SLLC Clients are not allowed the option of directing securities transactions to other broker-dealers or custodians.

## **Aggregated Trades**

It is the general practice of SLLC to aggregate trades. Trades that cannot be aggregated and traded in a block are submitted in a randomized process seeking to ensure that each Client generally has equal priority over time. By not aggregating transaction orders and trading at different times during the day, Clients may potentially pay higher prices when buying securities, or receive lower prices when selling securities compared to the other Accounts depending on the size of the trades and the liquidity of the securities.

## **Trading Errors**

Occasionally, a trading error may occur where either we, or our Financial Advisors, are at fault. If this occurs in your Account, the error will be corrected, and your Account will be restored to where it would have been had the error never occurred. However, in the process of restoring your Account, we may realize a profit or suffer a loss in connection with correcting this error. Neither losses nor gains realized by us will be passed on to you.

## **Item 13 – Review of Accounts**

### **Reviews**

In addition to holistic due diligence conducted by the Firm, and the Firm's Fiduciary and Conflicts Oversight Committee, and FMAX regarding the offerings on platform, SLLC monitors Client Accounts individually and generally maintains an ongoing oversight position in such Accounts. SLLC reviews each Client Account at least annually. On-going reviews and monitoring are conducted by our Financial Advisors, Principal Review Team, Supervisory Directors, and our Surveillance Team. Additional Account reviews may be triggered by any of the following events:

- A specific Client request;
- A change in Client goals and objectives;
- Large static cash positions;
- Accounts with little to no trading;
- An imbalance in a portfolio asset allocation; and/or
- Material changes in market or economic conditions.

### **Reports**

FMAX Program Clients shall receive confirmations on each FMAX Program trade (unless suppressed), and Account statements no less than quarterly and access to daily values and performance of the Accounts

through the FMAX Program Site. Also, Clients may receive in-depth Manager research reports, including summaries and expanded reports, and quarterly Manager commentaries and analysis.

Portfolio evaluations are periodically reviewed for accuracy by FMAX prior to delivery to Clients and are intended to inform Clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices. FMAX does not conduct reviews of individual Client portfolio evaluations to determine whether Client investment objectives are being met, as this is the responsibility of the Financial Advisor at SLLC.

NFS, on behalf of SLLC, sends Clients a statement of the assets held in each Account, including the valuations of such assets, no less than quarterly as required.

#### **Item 14 – Client Referrals and Other Compensation**

Conflicts of interest may arise related to all forms of compensation and benefits received by SLLC and our Financial Advisors from third parties (such as mutual fund managers, third party asset managers, and through SLLC's executing broker) in connection with the sale of investment products and services to Clients. We have identified these conflicts and provide full transparency in our Conflicts of Interest Disclosure document.

Employees of our affiliates will have the opportunity to refer Clients to the Programs. Such referrals may result in the receipt by the relevant employee of a referral fee from their employer, not SLLC. In most cases these employees are registered with the broker-dealer. If a referral is received from a non-registered individual, we will comply with all applicable requirements of Advisers Act Rule 206(4)-1 in connection with any referral arrangements subject to Advisers Act Rule 206(4)-1, including appropriate disclosure of referral arrangements to our Clients and maintenance of referral agreements. Clients have the option of obtaining certain of the investment products we recommend for our Accounts through brokers or other agents that are not affiliated with us.

#### **Revenue Sharing Arrangements**

SLLC can offer brokerage and investment-advisory account services because we are registered as both a broker/dealer and an investment advisor. If you receive brokerage or advisory services from SLLC, you should be aware that Santander's interests may not always be the same as yours. Santander is paid both by you and, sometimes, by other entities that compensate Santander based on transactions for your account. The disclosures below describe certain potential conflicts of interest that may apply to your account. Please read these disclosures carefully and note that there may be additional conflicts of interest applicable to your specific accounts which are not addressed below. Please ask your Financial Advisor questions to make sure you understand your rights and Santander's obligations to you as a brokerage or advisory customer.

In a brokerage account, SLLC acts as securities broker/dealer of record with respect to your assets. When SLLC acts as a broker/dealer, the service is our trading capabilities. You direct all trading in your brokerage account.

In an advisory account, SLLC acts as a registered investment advisor. We provide investment advice and

management of your assets {or a third-party manager/subadvisor makes the investment decisions for you based on your investment objectives and risk tolerance).

There are some important differences between these accounts that you should understand. For either type of account, services are provided by your Financial Advisor who is associated with SLLC. Your Financial Advisor can assist you in making important financial decisions, in addition to providing access to financial markets, products and services. A Financial Advisor will help define your investment goals and objectives, and to qualify your risk tolerance so that you better understand risks associated with various investment options and the services best suited to your needs. Financial Advisors also assist with reporting on progress and providing insight on whether current savings and investments align with your future goals and objectives.

#### Registered Investment Advisor: Fee-Based Accounts

- Fee-Based Accounts may provide for ongoing portfolio management subject to a fiduciary standard. SLLC and our Financial Advisors are responsible for managing your account to this standard by placing your interests ahead of our own, and meeting certain other duties set forth below.
- Fee-Based Accounts do not pay a commission on individual transactions, but instead pay an agreed upon ongoing advisory fee, which is typically a percentage based on the value of the assets in your account. The amount paid to our Firm and your Financial Advisor generally may vary based on the type of investments your Financial Advisor recommends or selects on your behalf.
- Since your advisory fee is tied to your account value, Financial Advisors may be paid a higher fee as the value of your account goes up, or a lower fee if the value of your account goes down.
- The primary services you obtain with a Fee-Based Account are ongoing investment advice and monitoring of your investments, periodic rebalancing and professional money management.
- For these accounts, you authorize trades to be effected, your portfolio rebalanced and other investment decisions to be made on your behalf without your pre-approval being required for each transaction.
- Clients with Fee-Based Accounts may have more frequent meetings with their Financial Advisors. Your Financial Advisor is required to offer to meet with you periodically to discuss your investment portfolio and financial situation.
- Fee-Based Accounts require a minimum investment amount that varies for certain programs.
- Fee-Based Accounts may not hold certain products designed for Commission-Based Accounts.
- Fee-Based Accounts may receive additional investment related services including performance reporting.

Please note that SLLC Financial Advisors, regardless of your account type, may also receive cash and/or non-cash compensation such as deferred compensation and training symposiums. Portions of this compensation may be subsidized by external vendors and SLLC product providers, such as mutual fund companies, insurance carriers or money managers. Therefore, Financial Advisors may have a Financial incentive to recommend the programs and services of these sponsors, rather than other available products and services offered by SLLC.

#### Training and Education Compensation

Santander offers multiple ways for product providers or insurance companies to provide training and education to our Financial Advisors. The training may be offered in the local branch offices or in larger group settings, including at the national level. Certain product providers and insurance companies have agreed to dedicate resources and Funding to provide this training and education. This commitment could lead our Financial Advisors to Focus on products or annuities offered From these companies versus the products or annuities offered by product providers and insurance companies which are not represented in such training sessions.

Product providers and insurance companies may also provide compensation to offset or reimburse Santander For costs incurred in conducting training or educational meetings. These meetings are designed to educate Santander's Financial Advisors about the product characteristics, Features, suitability, customer services and sales techniques as they relate to the various products or annuities.

Additionally, From time to time, product providers or insurance companies may reimburse Santander For expenses incurred by branch offices in connection with training, educational, conferences or seminars For Santander's Financial Advisors and clients. Financial Advisors may also receive promotional items, meals or entertainment or other non-cash compensation From product providers or insurance companies.

Training and education compensation may be paid to Santander by any of the insurance companies documented above, or other product provider.

#### Potential Conflicts of Interest Associated with Additional Compensation Arrangements

Periodically throughout the year, Santander initiates incentive programs for all its Financial Advisors. These programs include, but are not limited to, the following: programs that compensate associates for attracting new assets/clients to Santander; programs that reward Financial Advisors for promoting investment advisory services; and programs that reward Financial Advisors who meet total production criteria.

Financial Advisors who participate in the programs noted above may be rewarded with cash and/or non-cash compensation, including bonuses, training conferences, and recognition trips. Portions of these programs may be subsidized by product providers and/or insurance companies. Therefore, Santander's Financial Advisors have a financial incentive to recommend the programs and services included in these firm sponsored programs rather than other available products and services offered by Santander.

Please refer to the Firm's disclosures attached to our new Account paperwork for the most current revision of this list, our [Revenue Share Disclosure](#) located on our site, or simply contact your Financial Advisor or the Firm for more information.

### Item 15 – Custody

This Item is not applicable to SLLC because SLLC does not maintain custody over Client assets.

### Item 16 – Investment Discretion

SLLC has investment discretion over Accounts in the FMAX Program. As noted above, Clients may impose reasonable restrictions, subject to review and approval by SLLC. Prior to assuming discretionary authority, SLLC will execute an advisory agreement with the Client granting SLLC and all Program Managers investment discretion.

### Item 17 – Voting Client Securities

As a matter of Firm policy and practice, SLLC does not have any authority to and does not vote proxies on behalf of Clients.

With respect to proxy voting for FMAX Program Accounts, where permissible, the Client may grant the Program's designated Manager discretion to vote proxies with respect to any securities purchased or held in the Account; to execute waivers, consents, and other instruments with respect to such securities; and to consent to any plan to reorganization, merger, combination, consolidation, liquidation, or similar plan with reference to such securities. For those instances in which SLLC receives a proxy for a Client, SLLC shall forward such proxy to the designated Manager. If the Client has not appointed a Manager as the Client's agent with respect to proxy voting, such proxies shall be provided directly to the Client.

In limited circumstances, SLLC may provide advice to Clients regarding Clients' voting of proxies.

### Item 18 – Financial Information

This Item is not applicable to SLLC as we do not take prepayment of more than \$1,200 in fees, six months or more in advance or have a financial condition that could impair our ability to meet our contractual obligations. Therefore, we are not required to provide our audited balance sheets.

## Privacy Policy

FACTS		WHAT DOES SANTANDER SECURITIES DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"><li>▪ Social Security number and account balances</li><li>▪ payment history and transaction or loss history</li><li>▪ credit history; credit scores and credit card or other debt</li></ul>		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Santander Securities chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Santander Securities share?	Can you limit the sharing?
For our everyday business process- such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes- to offer our products and services to you		Yes	No
For joint marketing with other financial companies		Yes	No
For our affiliates' everyday business purposes- information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness		Yes	Yes
For our affiliates to market to you		Yes	Yes
For nonaffiliates to market to you		No	N/A
To limit our sharing	<ul style="list-style-type: none"><li>▪ Call (866) 736-6475</li></ul> <p><b>Please note:</b> If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>		
Questions?	Call (866) 736-6475		



Who we are	
Who is providing this notice?	Santander Securities LLC
What we do	
How does Santander Securities protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our information systems have controls, such as: firewalls, antivirus, passwords, periodic testing of our network access and encryption of computers and emails.
How does Santander Securities collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>▪ open an account</li> <li>▪ direct us to buy securities</li> <li>▪ make a wire transfer</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.
What happens when I limit sharing for an <u>account</u> I hold jointly with someone else?	Your choices will apply to everyone on your account-unless you tell us otherwise.

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ Our affiliates include companies with the word "Santander" in their name.</li> <li>▪ Our affiliates include financial companies such as Banco Santander, S.A., Banco Santander Puerto Rico, Santander Insurance Agency, Inc., Santander Bank, N.A., <u>Banco Santander International</u>, Santander Holdings USA, Inc., Santander Asset Management, Santander Investment Services, and Santander Consumer USA</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>▪ Santander Securities does not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>▪ Our joint marketing partners include product and service providers, who assure us that they will protect the security and confidentiality of the information we provide to them.</li> </ul>