

Item 1 – Cover Page



Santander Securities LLC
2 Morrissey Boulevard
Dorchester, MA

www.santandersecurities.com

Part 2A of Form ADV: Firm Brochure

August 1, 2018

This Brochure provides information about the qualifications and business practices of Santander Securities LLC (hereinafter "SLLC" or the "Firm"). If you have any questions about the contents of this Brochure, please contact SLLC 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.

SLLC 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 SLLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a "CRD number", SLLC's CRD number is 41791.

Item 2 – Material Changes

Santander Securities LLC believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide its clients with complete and accurate information at all times. SLLC encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with your financial consultant.

SLLC has engaged CLS Investments, LLC (“CLS”) to provide discretionary portfolio management for our clients using a Unified Managed Account (“UMA”) solution, this allows all of your managed assets to be managed in a single account, consolidating your different portfolios and/or portfolio managers in one master account. CLS will construct an investment portfolio based on the management strategy you select with your Financial Consultant. Each investment strategy gives CLS discretion to provide continuous investment advice based on your individual objectives and needs and/or to recommend certain sub-advisers to do the same. CLS will utilize various security products including: ETFs, mutual funds, bonds, equities and/or other securities or additional portfolio managers in association with the investment strategy selected by you and your Financial Consultant. Consistent with our other managed account solutions, technology services will be provided by Envestnet Asset Management, Inc. (“Envestnet”) and custodial services for accounts will be provided by Pershing, LLC (“Pershing”). Please refer to the CLS Investments client brochures “ADV Part 2A” and “Wrap Brochure” for more detailed information in regard to the services they provide.

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?

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

- Contact your financial consultant directly.
- Download the Brochure from the SEC website at <http://www.adviserinfo.sec.gov/>. Select “investment adviser 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.

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Item 4 – Advisory Business

Since 1996, Santander Securities LLC (hereinafter “SLLC”) has been registered with the Financial Industry Regulatory Authority (hereinafter “FINRA”) as an introducing broker-dealer, clearing through Pershing LLC (“Pershing”) on a fully disclosed basis, to engage in the offer and sale of securities products. In addition, in November 1999, SLLC registered with the United States Securities and Exchange Commission (hereinafter, the “SEC”) as an investment adviser. 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. SLLC’s advisory services are offered through certain SLLC financial consultants also referred to as Advisors who have registered as investment adviser representatives. Registration does not imply a certain level of skill or training. Other affiliates of SLLC include Santander Asset Management LLC, Banco Santander Puerto Rico, Santander Bank N.A., and Banco Santander International. However, as part of the Santander Group, SLLC is affiliated with numerous other entities throughout a number of different companies. Please refer to “Item 10” for information on affiliated entities with which SLLC has material relationships and the method in which SLLC manages certain conflicts that arise in such relationships.

As of December 31, 2017, SLLC has approximately \$896,976,568 in client assets under management.

SLLC provides investment advisory services to clients via various services, which includes financial planning and, access to wrap-fee programs sponsored by Lockwood Advisors, Inc. and Envestnet Asset Management Inc., and non-discretionary accounts, as discussed further below:

Getting to Know You Better

Most advisory relationships begin with an initial client meeting. Typically, meetings are conducted in person, over the telephone, or through email communications. The purpose of this initial meeting is to discuss with your financial consultant your investment history, goals, objectives, and concerns as it relates to the management of your account. The investment advisory services provided by SLLC depends largely on the personal information the client provides to the financial consultant. For SLLC to provide appropriate investment advice to the client, it is very important that clients provide accurate and complete responses to their financial consultant’s questions about their financial condition, needs and objectives, and any restrictions they may wish to impose concerning the securities or types of securities to be bought, sold, or held in their managed account if applicable. After the initial account is established, it is also important that clients inform their financial consultant of any changes in their financial condition, investment objectives, personal circumstances, and reasonable investment restrictions on the account, if any that may affect the client’s overall investment goals and strategies. Please be aware that similar services may be available for less cost elsewhere.

Program Choice Conflict of Interest

Clients should be aware that the compensation to SLLC and your financial consultant will differ according to the specific advisory program chosen. This compensation to SLLC and your financial consultant 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. As a result of the differences in fee schedules among the various advisory programs and services offered by SLLC and your financial consultant, we have a financial incentive to recommend particular programs or services over other programs and services. We urge you to discuss compensation with your financial consultant in order to gain full transparency on how they are compensated.

More Detail about our Advisory Services

The Firm has developed several advisory services and 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 may not be 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.

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 accounts with SLLC are non-discretionary. Although certain accounts and third-party

platforms may grant the Firm the ability to exercise discretion, it is the general practice of the Firm not to use discretionary authority.

- Trade Confirmations

You will receive trade confirmations for each transaction executed in your account.

- Quarterly Statements

You will receive a statement of your account and account activity no less than quarterly. If you have any questions regarding the performance of your account, please contact your financial consultant.

- Custody

The Firm would like you to know that we do not take “custody” of your money and/or your securities. Any check written for the purpose of making an investment into a managed account with SLLC may not be made payable to SLLC, SIS or any other variation of “Santander”. All checks must be made payable to Pershing, if a check is received made payable to any variation of “Santander” it will be promptly returned to the client. Pershing, LLC is the custodian for all accounts offered by SLLC.

- Cash Sweep Account

SLLC and Pershing, the custodian of SLLC’s client accounts, have entered into an agreement whereby Pershing automatically invests or “sweeps” funds in certain clients’ accounts at Pershing into investments selected by the clients.

- Meetings with your Financial Consultant

Your financial consultant will always make themselves reasonably available to assist and answer any questions you may have. We ask that you meet with your financial consultant no less than annually to discuss your current financial condition, investment objectives, if a managed account is still the right investment to meet your objectives and if you wish to impose and/or modify any reasonable restrictions. In addition to this meeting, the Firm may also contact you by written communication in efforts to encourage you to review your account and urge you to contact your financial consultant should you like to discuss or modify your financial information or investments.

Financial Planning

SLLC provides goal-based financial planning services to clients using a third-party software (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 SLLC 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

SLLC will prepare a financial planning presentation based on information provided to SLLC 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 SLLC's financial plan is advisory in nature, and SLLC does not guarantee the performance of any investment or insurance products that may be purchased in accordance with such recommendations. The financial plan also includes financial projections based on assumptions about future events. SLLC 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 SLLC to invest on his/her behalf by selecting a managed advisory program described further below in this document, or a brokerage account with SLLC.

Access to the Investnet Program

SLLC provides clients with access to the following wrap-fee programs (the Investnet Program, together with the Lockwood Programs, the "Programs") sponsored by an unaffiliated Firm, Investnet Asset Management Inc. (hereinafter "Investnet"): BlackRock, Brinker Capital, Clark Capital, CLS Investments, Efficient Market Advisory, Investnet PMC, JA Forlines, Russell Investments, Sage Advisory, Symmetry Partners, Vanguard & Wilshire Associates (Mutual Fund Wrap Programs), the Separately Managed Account ("SMA") – Equity & Balanced, SMA – Fixed Income.

An Investor Profile 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 wrap-fee program(s) within the Investnet Program. If program(s) within the Investnet Program are selected, clients receive initial and ongoing assistance from their SSLLC financial consultant with regard to the Investnet Program Manager selection process. Clients should be aware that SSLLC does not have discretion within the Investnet Program to hire or fire Managers and only the client can do so. Investnet, however, acts as the “overlay manager” in certain programs, which means that Investnet may, at its discretion, place trades within client accounts based on instructions provided by the selected Money Managers. Investnet generally will only use this discretionary authorization to: rebalance a client’s account, as agreed between the client and the advisor and to liquidate sufficient assets to pay the program fee, when necessary and advisable. The Manager will then provide investment advisory services to the client’s account, by, for example, selecting mutual funds for the client’s account. The SSLLC financial consultant provides ongoing support to each client with respect to updating and maintaining the client’s suitability information and allocation across Investnet Program Managers. While the SSLLC financial consultant provides initial and ongoing recommendations to clients regarding which Managers to utilize and allocation between Managers, the final decision to retain or fire a Manager rests with each client.

Clients should refer to Investnet’s, BlackRock, Brinker Capital, Clark Capital, CLS Investments, Efficient Market Advisory, Investnet PMC, JA Forlines, Russell Investments, Sage Advisory, Symmetry Partners, Vanguard & Wilshire Associates wrap-fee program Brochure for complete information on their respective programs.

Access to the Lockwood Program

SSLLC provides clients with access to the following wrap-fee programs (the “Lockwood Program”) sponsored by an unaffiliated Firm, Lockwood Advisors, Inc. (hereinafter “Lockwood”): Separately Managed Accounts Equity/Balanced, Separately Managed Account Fixed Income, Lockwood Asset Allocation Portfolios and Lockwood Investment Strategies. An Investor Profile Questionnaire is available to aid in SSLLC’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 wrap-fee program(s). If program(s) within the Lockwood Program are selected, clients receive initial and ongoing assistance from their SSLLC financial consultant with regard to the Lockwood Program portfolio manager (“Manager”) selection process. The Manager then provides investment advisory services to the client’s account, by, for example, selecting mutual funds for the client’s account. The SSLLC financial consultant provides ongoing support to each client with respect to updating and maintaining the client’s suitability information and allocation across Lockwood Program Managers. Clients should be aware that SSLLC does not have discretion within the Lockwood Program to hire or fire Managers and only the client can do so. While the SSLLC financial consultant provides initial and ongoing recommendations to clients regarding which Managers to utilize and allocation between Managers, the final decision to retain or fire a Manager rests with each client.

Access to the Unified Managed Account Program

SSLLC provides clients with access to the following wrap-fee program (the “Unified Managed Account

Program” and/or “UMA”) sponsored by an unaffiliated Firm, CLS Investments, LLC. (hereinafter “CLS”). Consistent with our other managed account solutions, technology services will be provided by Envestnet Asset Management, Inc. (“Envestnet”) and custodial services for accounts will be provided by Pershing, LLC (“Pershing”). An Investor Profile 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 management style(s) and potentially a recommendation of the UMA program offered by CLS. The Profile Questionnaire will help you to clarify your financial objectives and goals and establish your tolerance to risk. The Profile Questionnaire is used by SLLC as the primary reference for managing your portfolio. You may also indicate any special instructions or limitations that you request CLS to follow in managing your assets.

If deemed appropriate and that CLS’s advisory services may be suitable for you, using a Unified Managed Account (“UMA”) solution, allows all of your managed assets to be managed in a single account, consolidating your different model portfolios in one master account for ease and convenience and to offer consolidated performance reporting. CLS will construct an investment portfolio based on the management strategy you select with your Financial Consultant. Each investment strategy gives CLS discretion to provide continuous investment advice based on your individual objectives and needs and/or to recommend certain sub-advisers to do the same. CLS will utilize various security products including: ETFs, mutual funds, bonds, equities and/or other securities or additional portfolio managers commonly referred to as “sub-advisers” in association with the investment strategy selected by you and your Financial Consultant.

Through CLS’s daily monitoring of asset class segments return and risk factors, CLS may use investment discretion and change your portfolio asset mix in order to help you meet your objectives. It is the intent of CLS to maintain a risk exposure in accordance with your strategy and objectives by using the various investment choices available under the strategy selected by you and your Financial Consultant.

SLLC and your Financial Consultant shall have no investment discretion with respect to your account, allocation of model portfolios and/or the selection of additional sub-advisers. Your Financial Consultant provides ongoing support by updating and maintaining your suitability information in regard to the UMA program. While your Financial Consultant provides initial and ongoing recommendations in regard to investment management style(s) and or the selection of certain model portfolios, the final decision to retain or fire CLS or an appointed sub-adviser rests with each client.

Please refer to CLS Investments client brochures “ADV Part 2A” and “Wrap Brochure” for more detailed information in regard to the services they provide.

Clients should refer to Lockwood’s wrap-fee program Brochure for complete information on the Lockwood Program.

Non-DiscretionaryAccounts

**Effective April 2017, Envestnet’s Home Office Model Management will no longer be available to new accounts.*

SLLC provides investment management services for clients in the form of non-discretionary accounts

("Non-Discretionary Accounts"). SLLC offers two types of Non-Discretionary Accounts: 1) Non-Discretionary Accounts - Mutual Fund/Exchange Trade Fund Asset Allocation Model (Lockwood's AdvisorFlex Portfolios program or Envestnet's Home Office Model Management / Rep as Portfolio Manager Program) and 2) Non-Discretionary Accounts.

Non-Discretionary Account-Mutual Fund/Exchange Trade Fund Asset Allocation Models

These Non-Discretionary Accounts are managed through a mutual fund wrap advisory program offering access to asset allocation models comprised of mutual funds and Exchange Traded Funds ("ETFs"). Clients have the ability to direct investments in their account into one of a group of model portfolios developed by us in conjunction with Envestnet and Lockwood and to choose the investments comprising the portfolio from among a group of designated investment vehicles. SLLC will make recommendations regarding the appropriate asset allocation model and funds for clients' portfolios; however, each client's prior approval is required before such strategy can be executed. In addition, the client must authorize any changes in the strategy or the investment vehicles used to pursue the strategy. Recommendations shall be made in accordance with the investment objectives, guidelines and restrictions set forth in the SLLC New Account Form.

Non-Discretionary Accounts are identified as the Home Office Model Management / Rep as Portfolio Manager program under Envestnet's Wrap Fee Program Brochure (refer to Envestnet's Form ADV Part 2A and wrap Brochure) and the AdvisorFlex Portfolios program under Lockwood's Wrap Fee Program Brochure (refer to Lockwood's Form ADV Part 2A and wrap Brochure). Under the Non-Discretionary Account program, neither SLLC, Envestnet nor Lockwood will exercise any investment discretion over client accounts (SLLC will, however, "rebalance" the investments held in client accounts without further direction or consent from clients). Rebalancing will occur at periodic intervals (at least annually) selected by SLLC to adjust the allocations of the account's investments to target the allocations previously determined by the client. SLLC will establish tolerance levels that take into account changes in market value and other factors. If the adjustments required to return the client's investments to the target allocations fall below those tolerance levels, the account will not be rebalanced. The tolerance levels can be changed from time to time at SLLC's discretion, in the event a change will be made, this will be discussed and consented to by the client.

Non-Discretionary Accounts

SLLC also provides investment management services for clients in the form of Non-Discretionary Accounts. With respect to each Non-Discretionary Account, SLLC will direct, with each client's prior approval, the purchase, sale, holding, exchange, conversion or restructuring of, or other action relating to, the assets in the Non-Discretionary Account in accordance with the investment objectives, guidelines and restrictions set forth in the SLLC New Account Form. Clients should refer to the applicable ADV Part 2A Brochure and wrap-fee Brochure, prospectus and/or offering documents as well as all other applicable disclosure documents in regard to the products or platform you choose for your account to fully understand all related fees you may be subject to as well as any potential conflicts of interest that may exist. Similar products and services may be purchased for less cost elsewhere and if purchased separately. Please direct all questions in regard to your investment(s) and all applicable costs and fees to your financial consultant.

Item 5 – Fees and Compensation

The Firm and/or your financial consultant are compensated in several ways. We want to ensure that you understand how we, as a Firm, and our financial consultants 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, SLLC does not charge a separate or additional fee for our financial plans.

The Investnet Program

For its ongoing services to clients in connection with the Investnet Program, SLLC receives a portion of the wrap-fee program fee charged by Investnet to program participants, based upon the total market value of client assets that are participating in the Investnet Program through SLLC:

BlackRock, Brinker Capital, Clark Capital, CLS Investments, Efficient Market Advisory, Investnet PMC, JA Forlines, Russell Investments, Sage Advisory, Symmetry Partners, Vanguard & Wilshire Associates (Mutual Fund Wrap Programs)

<u>Assets Tier</u>	<u>Fees*</u>
0 - \$250,000	1.30%
\$250,001 - \$500,000	1.20%
\$500,001 - \$1,000,000	1.15%
\$1,000,001 - \$2,000,000	1.10%
\$2,000,001 - \$5,000,000	1.05%
\$5,000,000 - \$10,000,000	0.95%
\$10,000,001 +	0.85%

* Fee does not include manager fee of 0.02-0.37%

Separately Managed Account – Equity & Balanced

<u>Assets Tier</u>	<u>Fees*</u>
0 - \$250,000	1.40%
\$250,001 - \$500,000	1.30%
\$500,001 - \$1,000,000	1.20%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.90%
\$5,000,001 +	0.80%

* Fee does not include manager fee of 0.38-0.60%

Separately Managed Account – Fixed Income

<u>Assets Tier</u>	<u>Fees*</u>
0 - \$250,000	1.00%
\$250,001 - \$500,000	0.90%
\$500,001 - \$1,000,000	0.80%
\$1,000,001+	0.70%
* Fee does not include manager fee of 0.30-0.40%	

As discussed under Item 11 of this Brochure, SLLC is also the broker of record, or introducing broker, on all Investnet Program accounts of SLLC clients. Investnet and or the sub-advisers appointed by Investnet may direct trades to another broker dealer, in such cases the client may be subject to additional conflicts of interest and fees. Investnet Program clients may refer to Investnet’s wrap-fee program Brochure for complete information.

The Unified Managed Account Program

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

Unified Managed Account Program, CLS Investments

<u>Assets Tier</u>	<u>Fees*</u>
0 - \$250,000	1.40%
\$250,001 - \$500,000	1.30%
\$500,001 - \$1,000,000	1.20%
\$1,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	0.80%
\$10,000,001+	0.95%
* Fee does not include possible SMA manager fees (if used in portfolio allocation)	

The Lockwood Program

For its ongoing services to clients, SLLC receives a portion of the wrap-fee program fee charged by Lockwood to program participants, based upon the total market value of client assets that are participating in the Lockwood Program through SLLC:

Separately Managed Account Equity/Balanced

<u>Assets Tier</u>	<u>Fees</u>
0 - \$250,000	2.00%
\$250,001 - \$500,000	1.90%
\$500,001 - \$1,000,000	1.70%
\$1,000,001 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.30%
\$5,000,001+	1.20%

Separately Managed Account Fixed Income

<u>Assets Tier</u>	<u>Fees</u>
0 - \$250,000	1.35%
\$250,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.15%
\$1,000,001 - \$2,000,000	1.05%
\$2,000,001 - \$5,000,000	.95%
\$5,000,001+	.85%

Mutual Fund Wrap (Lockwood Asset Allocation Portfolios)

<u>Assets Tier</u>	<u>Fees</u>
0 - \$250,000	1.50%
\$250,001 - \$500,000	1.40%
\$500,001 - \$1,000,000	1.35%
\$1,000,001 - \$2,000,000	1.30%
\$2,000,001 - \$5,000,000	1.25%
\$5,000,001 +	1.15%

Unified Managed Account (Lockwood Investment Strategies)

<u>Assets Tier</u>	<u>Fees</u>
0 - \$250,000	2.10%
\$250,001 - \$500,000	1.90%
\$500,001 - \$750,000	1.80%
\$750,001 - \$1,000,000	1.75%
\$1,000,001 - \$2,000,000	1.50%
\$2,000,001 - \$5,000,000	1.30%
\$5,000,001 +	1.20%

As discussed under Item 11 of this Brochure, SLLC is also the broker of record, or introducing broker, on all Lockwood Program accounts of SLLC clients. Lockwood and or the sub-advisers appointed by Lockwood may direct trades to another broker dealer, in such cases the client may be subject to additional conflicts of interest and fees. Lockwood Program clients may refer to Lockwood's wrap-fee program Brochure for complete information.

Non-Discretionary Programs

SLLC receives the following fees, as a percentage of the total market value of each Non-Discretionary Account:

Non-Discretionary Account-Mutual Fund/Exchange Trade Fund Asset Allocation Model

Lockwood-Advisor Flex Portfolio

<u>Assets Tier</u>	<u>Fees</u>
0 - \$250,000	1.40%
\$250,001 - \$500,000	1.35%

\$500,001 - \$1,000,000	1.30%
\$1,000,001 - \$2,000,000	1.20%
\$2,000,001 - \$5,000,000	1.15%
\$5,000,001 +	1.10%

Investnet–HomeOfficeModelManagement/RepasPortfolioManagerProgram

<u>AssetsTier</u>	<u>Fees</u>
0 - \$250,000	1.40%
\$250,001 - \$500,000	1.35%
\$500,001 - \$1,000,000	1.30%
\$1,000,001 - \$2,000,000	1.20%
\$2,000,001 - \$5,000,000	1.15%
\$5,000,001+	1.10%

Non-Discretionary Accounts

<u>AssetsTier</u>	<u>Fees*</u>
0 - \$250,000	1.25%
\$250,001 - \$500,000	1.00%
\$500,001 - \$1,000,000	.90%
\$1,000,001 - \$2,000,000	.80%
\$2,000,001 - \$5,000,000	.70%
\$5,000,001 - \$10,000,000	.60%
\$10,000,001+	.50%
*Additional fees may apply, please refer to the products disclosure documents for complete details	

Clients that are members of the same household may aggregate the value of their Non-Discretionary Accounts for the purposes of the above fee schedules. The “same household” consists of a client’s spouse or domestic partner (unless they do not live in the same household as the client and the client does not contribute in any way to their support); a client’s children under the age of 18; a client’s children who are 18 or older (unless they do not live in the same household as the client and the client does not contribute in any way to their support); and any of the following persons who live in the client’s household: the client’s stepchildren, grandchildren, parents, stepparents, grandparents, brothers, sisters, parents-in-law, sons-in-law, daughters-in-law, brothers-in-law and sisters-in-law, including adoptive relationships.

As discussed under Item 11 of this Brochure, SLLC is also the broker of record, or introducing broker, on the Non-Discretionary Accounts.

General Information on Fees, Services and Best Execution.

In certain circumstances, fees may and will be negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the client’s relationship with SLLC and the SLLC financial consultant, the size of the account, the potential for other business or

clients, the amount of work anticipated and the attention needed to manage the client's account. It is the general policy of the Firm to not charge any client an advisory fee exceeding 2.00%. The Firm will periodically review all fees assessed to our clients to ensure our billing practice is consistent with this policy. The Firm, at its discretion, may authorize exceptions to this policy at the direction of senior management.

Financial planning fees are payable to SLLC. The client shall pay half of the fee upon executing the financial planning agreement, with the balance due upon delivery of the written plan.

Advisory fees payable to SLLC are billed quarterly in advance to the respective clients. 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.

It is the general practice of the Firm, and by extension our third-party managers and sub-advisers 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. In certain cases, non-advisory share class mutual funds could be recommended for your portfolio by a third-party manager or sub-advisor. In this scenario, it is the recommendation of the Firm that you work with your financial consultant to identify an advisory share class mutual fund that will satisfy your investing needs and objectives. If an advisory share class mutual fund option is not available and you wish to proceed with a non-advisory class share, you must understand that you "will" pay more to invest in these products.

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, Pershing LLC, 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 consultant for information about any limitations on share classes available.

The Firm, our third-party managers and sub-advisers 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.

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 Lockwood Program, the Envestnet Program or selected as investments by Non-Discretionary Account clients, including investment management fees and, with respect to mutual funds, 12b-1 fees. 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.

To be clear, it is the practice of the Firm to not receive/collect 12b-1 fees from qualifying mutual funds in our managed accounts. The Firm has worked with our custodian to forward these fees back to our clients.

The Firm however may collect 12b-1 fees for mutual funds that have been recommended and sold by the Firm in the capacity of a “broker dealer” and that reside outside of our managed accounts/advisory program and services. This is a conflict of interest as our financial consultants and/or the Firm “will” be compensated more for recommending mutual funds that have these fees.

Accordingly, each client should review the fees charged by the underlying funds and investment vehicles, the Managers, 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 consultant with any questions you have in regard to the fees you pay for your investment.

Certain program sponsors such as Lockwood and Envestnet as well as the sub-advisers 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 Brochure. All questions in regards to your fees should be directed to your financial consultant.

Employees who invest in the Envestnet Platform may receive a discount on a portion of, or all of, the associated management fees.

For a description of the conflicts of interest associated with SLLC receiving both brokerage commissions and advisory fees, please see Item 11.

BlendedSchedule

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.

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.

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*):

- CLS Unified Managed Account Program: \$25,000

- Lockwood AdvisorFlex Portfolios: \$50,000
- Lockwood Investment Strategies: \$250,000
- Lockwood Asset Allocation Portfolios: \$50,000
- BlackRock, Brinker Capital, Clark Capital, CLS Investments, Efficient Market Advisory, Russell Investments, Sage Advisory, Symmetry Partners, Vanguard & Wilshire Associates (Mutual Fund Wrap Programs): \$25,000
- Envestnet PMC, JAFornlines (Mutual Fund Wrap Programs): \$50,000

Separately Managed Accounts: \$100,000 With respect to the Non-Discretionary Accounts, the investment minimum is generally \$50,000.

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

SLLC financial consultants analyze investment products and recommend those products that 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 provided by Envestnet and Pershing, 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.

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 Lockwood or Envestnet for participation in their respective Programs may utilize specific strategies which create additional investment risk potential for SLLC 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 Lockwood's or Envestnet'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 Lockwood or Envestnet and/or their respective Managers may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds 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 Lockwood and Envestnet 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 Lockwood and Envestnet 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, 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 consultant 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 consultant or third-party manager will be successful in developing or recommending a profitable investment strategy for you or in implementing the strategy he/she or the third-party manager develops or

recommends.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client’s evaluation of SLLC or the integrity of SLLC’s management. Documented below is a disciplinary event that may be material to your evaluation of SLLC.

On June 6th, 2017 the Firm settled with the “Office of the Commissioner of Financial Institutions” of the Commonwealth of Puerto Rico 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 pay a fine of \$1,000,000.

On March 6th, 2017, The Firm entered into an AWC (“Acceptance, Waiver and Consent”) with FINRA the (“Final Industry Regulatory Authority”). 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 was brought by customers of certain Puerto Rico closed-end funds ("cefs") 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 cefs 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 purchase 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 Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (“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.

On March 15, 2013, as an outgrowth of an audit conducted by the Insurance Commissioner of Puerto Rico, SLLC agreed to an administrative penalty of \$3,500 related to the payment of commissions to an unauthorized individual, late filing of annual reports, and the miscommunications of a contractual change with a contracted insurer.

On April 12, 2011, FINRA accepted the Letter of Acceptance, Waiver, and Consent (“AWC”) from SLLC. The AWC alleges that, among other things, in the period from September 2007 through September 2008, SLLC failed to establish a supervisory system or written supervisory procedures reasonably designed to supervise the sale of certain structured products to retail customers and failed to have adequate supervisory policies and procedures in place to monitor its brokers’ securities recommendations in customers’ pledge collateral accounts. Without admitting or denying any allegations or findings in the AWC, SLLC was censured by FINRA, fined \$2 million and

agreed to certain undertakings including, but not limited to, revising certain of its written policies and procedures and reviewing existing and implementing new training programs for its personnel.

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 sell and/or provide access to retail investments, including but not limited to variable annuities, fixed annuities, equities, ETFs, bonds and market linked CDs in the Northeast, 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 Pershing, an affiliate of The Bank of New York Mellon Corporation. SLLC effects transactions as a broker or agent for both advisory clients and other 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, multi-family loans, residential mortgage loans, home equity loans and lines of credit, and auto and other consumer loans in the communities served by those offices.
- Banco Santander Puerto Rico, a state chartered non-member bank that provides a wide range of financial products and services to a diverse customer base that includes small and medium-sized businesses, large corporations and individuals, including mortgage banking services.
- 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 representatives of SLLC. The LBE’s may receive compensation for referring such clients to SLLC. 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.

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

Code of Ethics and Personal Trading

SLLC has adopted a Code of Ethics expressing the Firm's commitment to ethical conduct. SLLC's Code of Ethics describes the Firm'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 or different than those recommended to clients. It is the express policy of SLLC that no person employed by the Firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, SLLC requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the Firm's principals. SLLC also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).

SLLC's Code of Ethics further includes the Firm'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, Santander Securities LLC, 2 Morrissey Blvd., Dorchester, MA 02125.

Conflicts of Interest

Section 206(2) of the Investment Advisers Act of 1940 ("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.

It is the general practice of the Firm, and by extension our third-party managers and sub-advisers to invest our clients in advisory or institutional share class mutual funds, or no-load or load-waived Class A shares 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. In certain cases, non-advisory share class mutual funds could be recommended for your portfolio. In this scenario, it is the recommendation of the Firm that you work with your financial consultant to identify an advisory share class mutual fund that will satisfy your investing needs and objectives. If an advisory share class mutual fund option is not available and you wish to proceed with a non-advisory share class, you must understand that you "will" pay more to invest in this product.

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, Pershing LLC, to rebate these fees to our client's accounts. For a description of all available share classes for a given fund, please refer to the fund's prospectus. Please contact your financial consultant for information about any limitations on share classes available.

Each share class of a mutual fund represents an interest in the same portfolio of securities. Therefore, when there is a lower-cost share class available that does not charge a 12b-1 fee (or charges a lower 12b-1 fee), it is usually in the client's best interest to invest in the lower-cost share class rather than the 12b-1 fee paying share class because the client's returns would not be reduced by the 12b-1 fees. Investing in funds that are not the lowest cost option as well as pay a 12b-1 is a conflict of interest, please speak about this in detail with your financial consultant.

The Firm, our third-party managers and sub-advisers intend to invest our clients in the lowest cost share class of a 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.

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

Transactions with Affiliates

Section 206 under the Investment Advisers Act of 1940, as amended (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 (what is commonly referred to as 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.

Brokerage

Execution and clearance of transactions for advisory clients are provided by Pershing, an affiliate of The Bank of New York Mellon Corporation, which also acts as custodian on the accounts. Clients participating in the Lockwood Program, the Envestnet Program, and Non- Discretionary Accounts 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 Lockwood Program, the Envestnet Program and the Non-Discretionary Accounts, 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 a number of affiliated entities; however, none of these affiliates serve as a Manager within the Lockwood Program or Envestnet Program.

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 the Non-Discretionary Accounts, while SLLC is able to negotiate competitive pricing from Pershing 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 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.

Item 12 – Brokerage Practices

Please see Item 11, above, for a discussion of SLLC's role as broker-dealer with respect to its clients.

Best Execution

It is SLLC's policy, in placing each transaction for a client, to seek "best execution." "Best execution" means obtaining for a client 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. 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

With respect to the Non-Discretionary Accounts, SLLC “clients” are not allowed the option of directing securities transactions to other broker-dealers or other account custodians.

Aggregated Trades

SLLC financial consultants manage their client accounts independently of each other based on the suitability information gathered during the account opening process. Trades executed for their clients are made independently of each other and will not be aggregated.

Trading Errors

Occasionally, a trading error may occur where either we, or our 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

SLLC monitors client accounts and generally maintains an ongoing oversight position in such accounts. SLLC reviews each client account at least annually. 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
- Material changes in market or economic conditions.

Reports

Lockwood Program clients shall receive confirmations on each Lockwood Program trade, account statements for every month in which there is activity in the account and access to daily values and performance of the accounts. Lockwood Program clients may also receive individual quarterly portfolio evaluations.

Investnet Program clients shall receive confirmations on each Investnet Program trade, account statements for every month in which there is activity in the account and access to daily values and

performance of the accounts. Also, clients may receive in-depth manager research reports, including summaries and expanded reports, and quarterly manager commentaries and analysis.

Portfolio evaluations are reviewed for accuracy by Lockwood and Investnet 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. Lockwood and Investnet do not conduct reviews of individual client portfolio evaluations to determine whether client investment objectives are being met, which is the responsibility of the financial consultant at SLLC.

With respect to the Non-Discretionary Account clients, Pershing, on behalf of SLLC, sends clients an inventory of the assets held in each account, including the valuations of such assets, on a monthly basis.

Item 14 – Client Referrals and Other Compensation

Potential conflicts of interest may arise related to all forms of compensation and benefits received by SLLC and the SLLC financial consultant 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.

Mutual Funds – Revenue Sharing Arrangements

Through a network of financial consultants, SLLC offers a broad selection of mutual funds. Companies for some of the mutual funds SLLC sells may, from time to time, participate in activities that are designed to help facilitate the distribution of their products by making SLLC financial consultants, SLLC believes, more knowledgeable about those companies’ funds, such as marketing activities and educational programs (including, but not limited to, training conferences, one-on-one marketing and due diligence presentations to SLLC financial consultants).

In return for assistance in facilitating the activities described above, SLLC may, from time to time, receive additional compensation, called revenue sharing, from these funds. These revenue sharing payments would be in addition to commissions, annual service fees (known as 12b-1 fees), and other fees and expenses disclosed in a fund’s prospectus fee table. These revenue sharing payments, however, would be paid out of the investment adviser’s or other fund affiliate’s assets—not from the fund’s assets—and, therefore, would not appear as an item in a fund’s expense table. No portion of these revenue sharing payments to SLLC would be made by means of brokerage commissions generated by the fund.

It is important to understand that none of the revenue sharing payments that may be received by SLLC would be paid or directed to any financial consultant who sells these funds. SLLC financial consultants would not receive a greater or lesser commission for sales of mutual funds for which SLLC receives revenue sharing payments. Because SLLC financial consultants would receive no direct increase or change in compensation from selling shares of one fund over another, SLLC does not believe that it would be subject to a conflict of interest based on the compensation SLLC would receive when an SLLC financial consultant recommends one fund’s shares over another fund’s shares. The marketing and educational activities paid for with revenue sharing, however, could lead SLLC financial consultants to

focus more on those funds that make revenue sharing payments to SLLC—as opposed to funds that do not make such payments—when recommending mutual fund investments to their clients.

Participating fund families may also be subject to certain minimum payments each year in conjunction with the revenue sharing program if minimum amounts of sales or assets are not met, and they may also make additional payments to SLLC for attendance at various educational meetings hosted by SLLC throughout the year.

The below list of Fund Families may participate in one of revenue sharing programs described above:

Alliance Bernstein Investments, Inc.	American Funds
DWS Investments Distributors, Inc.	Fidelity Distributors Corporation
Franklin Templeton Distributors, Inc.	JP Morgan Distribution Services, Inc.
Legg Mason Investor Services, LLC	Lord Abbett Distributors LLC
MFS Fund Distributors, Inc.	NGAM Distribution LP
NYLIFE Distributors LLC	Oppenheimer Funds Distributors, Inc.
Pacific Select Distributors, Inc.	PIMCO Investments, LLC
Principal Funds Distributors, Inc.	Putnam Retail Management Limited Partnership
BlackRock Investments, LLC	

Please note that this list is subject to change, i.e. relationships could be established or terminated throughout the year. Please refer to the Firm’s disclosures attached to our new account paperwork for the most current revision of this list, or simply contact your advisor or the Firm for more information.

Fees Received for Sweep Investments

SLLC and Pershing, the custodian of SLLC’s client accounts, have entered into an agreement whereby Pershing automatically invests or “sweeps” funds in certain clients’ accounts at Pershing into investments selected by the clients. Pershing pays a monthly fee to SLLC as intermediary. We urge you to contact your financial consultant for additional information on the products available to you through the sweep program.

Item 15 – Custody

This Item is not applicable to SLLC.

Item 16 – Investment Discretion

SLLC does not exercise, investment discretion with respect to any SLLC advisory client account. Although, in some cases, the Firm may be contractually granted discretion, it is the practice of the Firm to not use discretionary authority over our client’s accounts.

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 Lockwood Program accounts, if the Program client is a tax-qualified retirement plan subject to ERISA, each of the selected Manager(s) within the program is responsible for voting account proxies, unless the client has specifically opted to retain such proxy voting rights. With respect to Program clients which are not governed by ERISA, each client may either retain the right to vote proxies or delegate such authority to each Manager.

With respect to proxy voting for Investnet 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.

With respect to the proxy voting for the Non-Discretionary Accounts, each client must make arrangements with Pershing, the custodian, regarding delivery of copies of proxies, waivers, consent, instruments and shareholder communications relating to securities held in the Non- Discretionary Account.

In limited circumstances, SLLC may provide advice to clients regarding the 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.