LPL ENTERPRISE BROKERAGE COMPENSATION AND CONFLICTS DISCLOSURE

www.lpl.com/lpl-enterprise.html

This disclosure provides information about the business practices, compensation and conflicts of interest related to the brokerage business of your broker-dealer LPL Enterprise (referred to as "we," "us," or "LPLE"), and for LPL Financial, as it clears transactions for LPL and acts as your custodian (referred to as "LPL Financial" or "LPL"). Additional information about LPL and its financial professionals is available on FINRA's website at http://brokercheck.finra.org.

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ITEM 1 INTRODUCTION

LPL Enterprise ("LPLE") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA) that introduces its customer accounts on a fully disclosed basis pursuant to a clearing agreement. LPLE is also registered as an investment adviser with the SEC. LPLE introduces its customer accounts to its affiliate, LPL Financial. LPLE is a wholly owned subsidiary of LPL Capital Partners, Inc., a Delaware corporation. LPL Capital Partners, Inc. is, in turn wholly owned by LPL Holdings, Inc. the parent company of LPL Financial. As a result of this structure, LPLE and LPL may share pay the fee and commission review described in this disclosure at their discretion.

LPLE has a unique business model. LPLE enters into contracts, referred to as Strategic Relationship Agreements ("SRAs"), with third-party financial services firms ("SR Firms") to provide brokerage and investment advisory services in conjunction with the SR Firm's other financial services business. For example, an SR Firm may be an insurance company whose agents offer insurance products and services. These agents, once their SR Firm enters into an SRA with LPLE, become registered representatives and/or investment adviser representatives of LPLE for the provision of brokerage and investment advisory services to their clients. LPLE and the SRA Firm work together to provide comprehensive financial services to their respective clients.

LPLE is qualified to sell insurance products and annuities in all 50 states. As a broker-dealer, LPLE transacts business in various types of securities, including mutual funds, 529 plans, exchange-traded funds (ETFs), stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts (REITs) and other investment products.

LPLE maintains a network of registered representatives and/or investment adviser representatives, referred to as "financial professionals," who offer brokerage services, investment advisory services, or both, depending on their licenses. LPLE sometimes refers to these specific financial professionals as "financial advisors" or "advisors." LPLE's financial professionals are primarily independent contractors though there are some who are employees. They are also typically employees or independent contractors of the SRA Firm. LPLE financial professionals are dispersed throughout the U.S. and often market services under their own business name or the SRA Firms' names.

Although most financial professionals offer both brokerage and investment advisory services, some only offer brokerage services and others only offer investment advisory services. You should ask your financial professional about what capacity they are acting or will be acting on your behalf, as a broker-dealer registered representative and/or an IAR. Unless stated otherwise, your financial professional is acting in the capacity, brokerage or advisory, required by the account type for which the respective transaction takes place. This disclosure discusses important information regarding financial professionals who act as registered representatives of LPLE. For more information about LPLE and the services financial professionals provide when they act as IARs, please see LPLE's Form ADV disclosure brochures available on www.lpl.com/lpl-enterprise.html.

For additional information on which type of investment account is right for you, please see LPLE's Form CRS (Customer Relationship Summary) which can be found at www.lpl.com/lpl-enterprise.html.

Like all financial services providers, LPLE and its financial professionals have conflicts of interest when acting in a brokerage capacity. LPLE and its financial professionals are compensated directly by customers and indirectly from the investments made by customers. When customers pay us, we typically are paid an upfront commission or sales load at the time of the transaction and in some cases a deferred sales charge, which is paid by the customer via the proceeds of the sale of an investment product. If we are paid an upfront commission, it means that we are paid more the more transactions a customer makes. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a "trail" payment, for as long as a customer holds an investment. In addition, LPL Financial LLC, which clears transactions on our behalf, receives compensation from the sponsors of some of the investment products that customers purchase through us. The amount we receive varies depending on the particular type of investment a customer makes. The compensation described in this disclosure represents the maximum gain or profit we receive on an investment, before subtraction of our expenses. Our business model also presents a unique set of conflicts since as part of the SRA, we work with the SRA Firms to develop and deploy a curated set of investment products available to you through our financial professionals. As such, the SRA Firm has a conflict of interest when LPLE makes available investment products the SRA Firm or its affiliates sponsor, underwrite, advise on or control because in addition to any commission or sales charge incurred, the SRA Firm or its affiliate(s) may receive compensation through the internal expenses associated with managing and operating that investment vehicle. In addition, the compensation paid to our financial professionals is often controlled by the SRA Firm since we typically aggregate and pay all transaction-based compensation to the SRA Firm, if permitted by applicable law. The SRA Firm, in turn, pays the financial professionals pursuant to the compensation agreements or arrangements they have with them, which have been approved by LPLE.

Please also note that not all of the conflicts described in this disclosure apply to a particular financial professional, the financial professional's services, the SRA Firm, or all the products we sell. The types and amounts of compensation we receive change over time. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest.

ITEM 2 COMMISSIONS, FEES AND OTHER TYPES OF SALES COMPENSATION

Commissions and Sales Charges

LPLE receives upfront commissions when it places transactions that result in the purchase or sale of a security. A commission, which also may be called a sales load, sales charge or placement fee, is typically paid at the time of the sale and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. LPLE receives the sales charge or commission and shares it with your financial professional. In some cases, a portion of the sales charge or commission is retained by the investment's sponsor, which could be the SRA Firm or its affiliate(s). Commissions vary from product to product, which creates an incentive to sell a higher commission security rather than a lower commission security. The maximum and typical commissions for common investment products are listed below. For more information about other commissions that apply to a particular transaction, please refer to the applicable investment's prospectus or other offering document.

- ***Equities and Other Exchange Traded Securities***. The maximum commission charged by LPLE in an agency capacity on an exchange traded security transaction, such as an equity, option, ETF, exchange traded note (ETN) or closed-end fund (CEF), is the greater of 1.5% of the transaction amount or $30. The commission amount decreases from 1.5% as the size of the transaction amount increases according to a schedule. Additionally, the financial professional can decide to discount the commission amount to a minimum of $30 per transaction. In circumstances when the amount of a sales transaction is less than the minimum commission, the maximum commission could be as much as the amount of the transaction.
- ***Mutual Funds and 529 plans.*** The maximum commission or sales charge permitted under applicable rules is 8.5%, although the maximum is typically 5.75%.
- ***Annuities.*** The maximum upfront commission paid for new sales of annuities is typically 7%, but varies depending on the time purchased, and type of annuity, such as fixed, fixed index, traditional and investment-only variable annuities.
- ***Alternative Investments.*** For alternative investment products, such as hedge funds, private equity funds, non-traded business development companies (BDCs), real estate private placements, or real estate investment trusts (REITs), the upfront sales load is as high as 5.5%. In addition, depending on the structure of these investments, there may be ongoing internal fees charged to the client that result in ongoing commission or fee payments to us and your financial professional. There may also be fees and charges associated with the sale of these investments.
- ***Unit Investment Trusts (UITs***). The maximum upfront sales charge paid typically ranges from 1.85% to 3.95%, and can depend on the length of the term of the UIT.

Markups and Markdowns – Principal Transactions

Where permitted by law, when we or LPL buys from you or sells to you a security in a principal capacity, we receive a markup or markdown on the transaction and LPL may pay some or all of this remuneration to LPLE and its financial professionals. In these circumstances, if a security is sold at a price higher than what was paid for it, we will earn a markup. Conversely, if a security is purchased from you at a price lower than what it is sold for, we will earn a markdown. Markups and markdowns typically apply to transactions in bonds or other fixed-income securities such as structured products.

The maximum markup/markdown on a transaction with a customer that we receive when acting in a principal capacity typically does not exceed 2.5% of the value of the security. On rare occasions, a markup/markdown may exceed 2.5% on a deeply discounted security. In many cases, the actual markup/markdown percentage is lower based on factors such as quantity, price, type of security, rating, maturity, etc.

Direct Fees and Charges

If you hold an account at LPL, either LPL or LPLE charges miscellaneous fees directly to your account such as fees for transaction processing, account transfers, and account maintenance. For direct fees that apply per transaction, we receive more fees the more transactions that result from a financial professional's recommendation. These direct fees and charges are set out in the Miscellaneous Account and Service Fee Schedule at www.lpl.com/lpl-enterprise.html are not shared with financial professionals, and are not charged if you hold an account directly with a product sponsor rather than with LPLE at LPL.

ITEM 3 THIRD PARTY COMPENSATION

LPLE and its financial professionals receive compensation from investment product sponsors and other third parties in connection with investments that our customers make in securities such as mutual funds, 529 plans, annuities, and alternative investments. Some types of third-party compensation are received by LPLE and shared with LPLE financial professionals, and other types are retained only by LPL or LPLE. For more information about the third party compensation LPLE receives, the investment product sponsors and other third parties that pay LPLE the compensation, and related conflicts of interest, please see the Third Party Compensation and Related Conflicts of Interest on www.lpl.com/lpl-enterprise.html.

Third Party Compensation Shared by LPLE and Financial Professionals

Trail Compensation

LPLE and its financial professionals receive ongoing compensation from certain investment products such as mutual funds, 529 plans, annuities, and alternative investments. This compensation (commonly known as trails or Rule 12b-1 fees) is typically paid from the assets of the investment product under a distribution or servicing arrangement with the investment sponsor and is calculated as an annual percentage of assets invested by LPL customers. The more assets you invest in the product, the more we will be paid in these fees. Therefore, we have an incentive to encourage you to increase the size of your investment. The amount of trails received varies from product to product. This creates an incentive to recommend a product that pays a higher trail rather than a lower trail. We also have an incentive to recommend a product that pays trails (regardless of amount) rather than products that do not pay trails. For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering document for the investment.

- ***Mutual Funds and 529 plans***. The ongoing payment depends on the class of shares but is typically between 0.25% and 1% of assets annually.
- ***Annuities.*** LPLE receives a trail payment from an annuity issuer for the promotion, sale and servicing of a policy. The amount and timing of trail payments vary depending on the agreement between LPLE and the issuer, and the type of policy purchased. The maximum trail payment for annuities is typically 1.5%, and varies depending on the type of annuity.
- ***Alternative Investments***. For alternative investment products, such as private funds, trail payments may be as high as 1% on an annual basis. Trail payments for managed futures funds can be as high as 2% annually.

Concessions and Mutual Fund Finder's Fee

In certain cases, LPLE and its financial professionals receive compensation from a mutual fund sponsor in connection with transactions for which sales charges are waived or under other circumstances and as described in a fund's offering documents. This compensation is generally referred to as a finder's fee or concession and typically ranges between 0.25% and 1% of the transaction amount. LPLE also receives concessions from investment sponsors for other types of investments. These concessions vary from product to product, and are generally shared between LPLE and the financial professional. Concessions can be as high as 2.00% of the transaction amount for new issues of certificates of deposit, 0.50% of the transaction amount for new issues of municipal bonds, as high as 2.00% of the transaction amount for other new issue bonds, up to 3.625% of the transaction amount for structured products, and up to 4% of the transaction amount for CEFs.

Life Insurance

LPLE receives compensation from issuers of life insurance (universal, variable universal, whole life, and term) and other insurance contracts that are available to brokerage customers, such as long term care insurance and disability insurance. The compensation includes commissions and trails, and may include payments for administrative services that LPLE provides and/or payments made in connection with LPLE's marketing and sales-force education and training efforts, including LPLE's annual national sales and education conference and other conferences. LPLE and/or its affiliated insurance agency, LPL Insurance Associates, Inc. (LPLIA) to whom your financial professional may be an agent of, receive commissions in the range of 4% to 140% of first-year commissionable premiums. LPLE may also receive a trail payment in the range of 0.5% to 15% of subsequent premiums, if any. The amount of commission varies depending on the issuer, coverage and the premium amount. For business placed through LPLIA, LPLIA typically retains between 10% and 35% of first-year commissionable premiums to support the additional case-management services that LPLIA provides for products offered through LPLIA. Financial professionals receive a percentage of the commissions and trailing commissions the insurance company pays to LPLE and/or LPLIA. LPLE, LPLIA, and financial professionals also receive additional compensation from certain insurance companies when LPL's sales of the companies' products exceed premium thresholds specified in selling agreements with LPLE and/or LPLIA. LPLE further receives payments generated from the successful facilitation of life insurance settlements placed through referral partnerships. These payments consist of 5% of the lower of the value created subject to reimbursements for transactional costs, or 4% of the death benefit subject to transactional costs. In the event LPLE's financial professionals are also insurance agents of the SRA Firm, they may sell you insurance solely through the SRA Firm and LPLE does not share in any compensation associated with those sales.

Bonus Payments from Investment Sponsors

Certain insurance companies offer financial professionals bonus payments, oftentimes called persistency or retention bonuses, based on the amount of customer assets that the financial professional has placed in the insurance company's products. Although LPLE does not participate in these bonus programs, LPLE may from time to time accept and share these payments on a one-time basis with a financial professional who recently joined LPLE and was entitled to such payments through the financial professional's former brokerage firm.

Non-Cash Compensation

LPLE, LPLE employees and financial professionals may receive non-cash compensation from investment sponsors. Compensation includes such items as gifts valued at less than $100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer workshops or events, or marketing or advertising initiatives, including services for identifying prospective customers. Investment sponsors, including the SRA Firms, also pay, or reimburse LPLE and/or its financial professionals, for the costs associated with education or training events attended by LPLE employees and financial professionals and for LPL or LPLE sponsored conferences and events.

<u>Third Party Compensation Retained by LPL</u>

Cash Sweep Service Options

LPL automatically transfers cash balances (including otherwise uninvested cash amounts received from the customer, securities transactions, dividend and interest payments, and other account-related activities) in a customer's eligible accounts through the account's designated sweep service option, where applicable. The type of sweep service options available (and how cash is held) depends on the customer's account type. LPL offers FDIC-insured bank sweep services for most customer accounts. Accounts may be eligible for the LPL Insured Cash Account ("ICA") Program, or the money market mutual fund sweep, each described below. LPL's Deposit Cash Account ("DCA") is only available to certain types of advisory retirement accounts and is discussed in our advisory disclosures. Not all sweep service options are available to all types of customer accounts. Cash sweep is offered as an account feature and service to facilitate the operation and maintenance of the account and is not intended to be used as an investment option or as part of an account's asset allocation. LPL and its financial professionals do not typically recommend specific sweep service options or underlying sweep holdings. For more information, please see your customer agreement and the applicable ICA disclosure booklet, or the sweep money market mutual fund prospectus.

The aggregate fees and expenses received by LPL in connection with the customer account's designated sweep service option can be higher or lower than the customer's yields on the sweep service option depending on the particular sweep option, prevailing interest rates and other market factors. See https://www.lpl.com/disclosures/lpl-financial-fdic-insured-bank-deposit-sweep-programs.html for information about our customer fees and customer interest rates for ICA or contact your financial professional for information about our customer fees and customer interest rates for money market funds. LPL does not share this compensation with LPLE financial professionals. Historically, customer yields in ICA have always been lower than the aggregate fees and charges received by LPL. Customer yields in money market mutual funds have been both lower and higher than the aggregate fees and charges received by LPL.

Cash sweep services are not intended to be used for long-term investments and are more appropriately viewed as an indirect cost of maintaining and operating the account. LPL makes available a wide range of investment alternatives with differing risk and return characteristics, which are better suited for meeting customer investment needs and objectives. Customers should compare the terms, interest rates, required minimum amounts and other features of their account's applicable sweep service option with the sweep service option available through other types of accounts and the investment options available in their account.

FDIC insurance protects against the loss of FDIC-insured deposits if the depository institution or bank holding the deposit fails. LPL itself is not an FDIC-insured depository institution. With respect to our sweep service options, only balances received by, and deposited at, the ICA participating banks are eligible for FDIC insurance (subject to applicable limits). Eligibility for pass-through deposit insurance coverage for ICA deposits is subject to fulfilling specific conditions. Client Cash Accounts and money market mutual funds are not customer bank deposits and are subject to investment risks, including the potential loss of the amount invested. These investments are not FDIC-insured, but may be subject to SIPC protection.

- **Insured Cash Account (ICA)**. LPL's ICA sweep service option automatically sweeps otherwise uninvested cash balances held within customer brokerage (and certain advisory accounts) into interest-bearing bank deposits eligible for FDIC insurance (subject to applicable limits). Under its agreement with each ICA participating bank in which customer cash may be swept, LPL receives a fee from the bank equal to a percentage of the average daily deposit balance held at the bank. Such fees differ among the participating banks depending on the current interest rate environment and/or any fee waivers made by LPL. The fee LPL receives is generally an average aggregate annual rate of up to 6% as applied across the deposits held at all of the ICA participating banks. Because the banks generally pay different amounts to LPL on account balances, fees received by LPL with respect to a specific customer account (and the account's cash holdings) may be higher or lower than this average percentage amount. The fees received by LPL from the ICA participating banks reduce the interest rate customers receive on their cash held through ICA. These fees are additional compensation to LPL for operating and maintaining the account and for LPL's other services to the account. LPL does not share this compensation with LPLE financial professionals. LPL has chosen to offer ICA as the sole sweep service option for certain account types, in part because of the additional compensation LPL earns from the use of ICA.

In situations where customer cash balances allocated through ICA exceed the deposit availability at ICA participating banks, uninsured cash balances may be placed into an "overflow" Client Cash Account. Such balances are considered to be "free credit balances" and represent a direct liability of LPL to the customer. See below for information about how LPL is compensated on Client Cash Account balances.

- **Client Cash Accounts – ICA Overflow Balances**. LPL receives additional compensation and benefits from customer cash balances maintained in the ICA overflow mechanism, referred to as Client Cash Accounts, which constitute free credit balances available for LPL use. LPL does not share this compensation with LPLE financial professionals. LPL can use free credit balances to fund its on-going operations subject to the limitations under SEC Rule 15c3-3. Pursuant to Rule 15c3-3, LPL can (i) deposit free credit cash balances into a segregated deposit account at its banks, thereby earning interest on the Client Cash Account balances deposited, or (ii) invest the cash balances in securities backed by the full faith and credit of the U.S. government, thereby making money on any yield generated by such securities. The amount LPL will earn from these sources will vary based on market forces and the contracts for deposit arrangements that LPL is able to secure with its banks. LPL may use both or either of these vehicles at its sole discretion. Any amounts LPL receives pursuant to these sources will be reduced by the interest payable, if any, to customers on such balances, and further reduced by the cost of borrowing any funds necessary to meet its reserve requirements under Rule 15c3-3. For example, LPL may earn interest or a return by investing in short-term U.S. Government or Agency instruments or by using these balances to fund margin loans to its customers at a lower funding cost than would otherwise be the case. Customers do not share in the returns or proceeds associated with LPL's use or investment of such free credit balances, which are expected to exceed the amount of any interest paid to the customer for Client Cash Account balances.
- **Money Market Mutual Fund Sweep Option.** For customer accounts that are not eligible for ICAotherwise uninvested cash balances are automatically swept and invested daily into shares of a money market mutual fund. Currently, taxable and tax-exempt money market funds offered by J.P. Morgan Asset Management and Federated Services Company are available. LPL receives compensation in the form of servicing fees of up to 0.25% of customer assets invested in J.P. Morgan Asset Management money market funds and up to 0.35% of customer assets invested in Federated Services Company money market funds. These money market mutual funds generally pay higher 12b-1 fees than other money market mutual funds that are not used for sweep services. The 12b-1 fees and the payer of such fees are set out in the prospectus of the money market mutual fund. LPL receives service and administrative fees relating to support of the sweep program from the sponsors of these funds, ranging between 0.25% and 0.45% of the assets invested in the money market funds. Such fees may be waived by the fund companies in their sole discretion. These payments are in addition to other fees (e.g., recordkeeping and 12b-1 fees) received by LPL, where applicable. LPL does not share this compensation with LPLE financial professionals.

Non-Sweep Money Market Mutual Funds (Outside of LPL's Sweep Service Options)

Customers are able to invest cash balances in a limited number of money market mutual funds outside the Sweep Service Options offerings (Non-Sweep Money Market Funds). Like any other mutual fund transactions at LPL, transaction and other fees may apply. Moreover, unlike under the sweep services, transactions in Non-Sweep Money Market Funds are customer-directed (or directed by customer's representative) and do not provide for automatic daily sweep. Depending on current interest rates and other market factors, investment returns of money market mutual funds could be lower or higher than the aggregate fees and expenses charged by LPL in connection with the transaction. Contact your financial professional for information about current fees and investment returns on money market funds. Customers should understand that the share class offered for a particular Non-Sweep Money Market Fund charges higher fees and expenses than other share classes that are offered by the same Non-Sweep Money Market Fund but are not available on LPL's platform. LPL receives compensation for the LPL customer assets invested in the Non-Sweep Money Market Funds (up to 0.30% on an annual basis) for distribution, recordkeeping, shareholder servicing and administrative services it provides for the funds and in connection with marketing support services LPL provides to the fund sponsors as described in this disclosure. LPL does not share this compensation with LPLE financial professionals.

Unlike other types of mutual funds available on LPL's platform, LPL makes available Non-Sweep Money Market Funds from only a limited number of mutual fund sponsors. By making available a limited number of Non-Sweep Money Market Funds, LPL is able to negotiate greater compensation from the fund companies for services it provides to the funds. Because of the limited number of Non-Sweep Money Market Funds available on the platform and the fees paid by those funds, other money market mutual funds not available through LPL's brokerage platform are likely to have higher returns than the Non-Sweep Money Market Funds.

Recordkeeping Fees

In the case of accounts held at LPL, LPL performs recordkeeping and administrative services on behalf of mutual fund and receives fees for performing such services. These services include establishing and maintaining sub-account records reflecting the issuance, exchange or redemption of mutual fund shares by each account. For certain mutual funds LPL processes transactions on an omnibus basis, which means that LPL consolidates customer trades into one daily trade with a fund, and maintains all pertinent underlying shareholder information for the fund. The compensation LPL receives for these services can be paid based on customer assets in the fund (0% to 0.30% on an annual basis) or based on the number of positions held by customers in the fund ($0 to $25 per position). Because these fees vary, LPL has an incentive to recommend a fund that pays more in recordkeeping fees than a fund that pays a lower amount.

Networking Fees

If LPL does not provide recordkeeping services to a mutual fund on an omnibus basis, then fund shares are traded on a networked basis, which means LPL submits a separate order to the fund for each individual customer trade. In that case, LPL maintains only certain elements of the fund's shareholder information. LPL also receives networking fees in the case of accounts held directly with an investment sponsor like a mutual fund or annuity company. In such cases, the investment sponsor pays LPL networking fees to link accounts with the investment sponsor to systems and accounts at LPL. The fees, which vary product by product, are typically based on the number of LPL customer positions in the investment product or assets. For mutual funds, LPL receives compensation that is based on the number of LPL customer positions held with the fund (up to $12 per position per year) or based on the amount of customer assets in the fund (up to 0.15% on an annual basis). For annuities, LPL receives compensation that is based on the number of customer positions or contracts held with each annuity carrier (up to $6 per position per year).

Product Onboarding and Maintenance Fees

LPL charges a setup fee to product sponsors when adding new investment products or share classes of an investment product to its investment platforms. When a new mutual fund family joins LPL's platform, LPL typically charges up to $40,000 to add the family to LPL's platforms, which is comprised of up to $15,000 as a due diligence fee and up to $5,000 per fund to a maximum of $25,000. LPL typically charges annuity product sponsors a one-time onboarding/networking setup fee of up to $75,000 to reimburse LPL for associated technology-related costs. LPL typically charges alternative investment sponsors up to $35,000 for products, follow-on product offerings or new share classes that are added to its platforms. For individual product setup, LPL typically charges exchange traded product (ETPs) sponsors a setup fee of up to $7,500 per fund and up to an additional $15,000 per product for complex ETPs. For UITs LPL charges up to $5,000 per fund. Additionally, LPL charges sponsors up to $25,000 per CUSIP for certain corporate action events. In the event LPLE onboards or otherwise makes available an investment product that is not otherwise available through LPL, LPLE will earn some or all of the fees described above.

Revenue Sharing Payments

LPL receives revenue sharing payments from investment sponsors who participate in LPL's sponsorship programs. Investment sponsors make these payments to incentivize LPL to promote their products, and the sponsors receive preferential treatment as a result of the payment. Those preferences include supporting LPL's product marketing, education and training efforts for financial professionals so that investment sponsors can communicate with financial professionals and employees and promote their products. The arrangements also allow the investment sponsor's products in certain cases to benefit from lower ticket charges that are typically paid by a financial professional and/or customer. These payments are typically calculated as a fixed fee, as an annual percentage of the amount of assets invested, as a percentage of annual new sales, or as a combination.

- ***Mutual Funds.*** LPL receives compensation of up to 0.25% on an annual basis of customer assets invested with certain mutual fund families. LPL also receives flat annual payments at the discretion of certain fund sponsors as support for LPL's product marketing and the education and training efforts for financial professionals in connection with the sale of their products. In addition, LPL also receives from mutual fund sponsors up to $10 per ticket charge for mutual fund purchases.
- ***Variable Annuities***. LPL receives compensation that is based on customer assets (up to 0.15% annually), based on sales of such products (up to 0.35% annually) or based on a formula that is a combination of a fixed fee, customer assets and/or product sales.
- ***Fixed and Fixed Index Annuities***. LPL receives payments of up to 0.50% annually on new sales or up to 0.25% annually on customer assets.
- ***Alternative Investments***. For certain alternative investments, LPL receives a marketing allowance fee directly from the investment sponsor, and not as a portion of the upfront commission or trail. These fees can be paid on an annual basis of up to 0.35% of customer assets invested and up to 1.50% of sales in alternative investments, such as managed futures funds, REITs, hedge funds and private equity.

- ***UITs***. LPL receives fees, often referred to as volume concessions, from UIT sponsors that are based on a percentage of sales volume. These fees are set by the UIT sponsor and vary. The UIT prospectus contains detailed descriptions of these additional payments.

Investment sponsors pay LPL different amounts of revenue sharing, and receive different levels of benefits for such payments. Because these fees can vary by fund and share class of a fund, LPL has an incentive to recommend a fund or share class that pays more in revenue sharing than a fund or share class that pays a lower amount. LPL generally does not share these revenue sharing payments with financial professionals. In the event LPLE onboards or otherwise makes available an investment product that is not otherwise available through LPL, LPLE will earn some or all of the fees described above.

Technology Funding

When LPL incurs technology development-related costs associated with the launch or maintenance of a platform, tool or service, LPL sometimes receives reimbursements from product sponsors for such costs. Because LPL benefits from product sponsors' reimbursements of technology development-related costs, LPL's financial interests are conflicted with its ability to use strictly objective factors when selecting product sponsors to make available on the applicable platforms.

Data, Analytics and Reporting

LPL receives up to $600,000 annually from various mutual fund, ETF, annuity and insurance investment sponsors in exchange for access to analytical data, business intelligence and ad hoc reporting relating to financial professionals. LPLE has an incentive to recommend products associated with sponsors that pay for these services due to its affiliation status with LPL.

Reimbursement for Shareholder Materials

When LPL delivers mutual fund shareholder reports and proxies to you, LPL is reimbursed by the mutual fund for the delivery costs. The maximum fee that can be charged for delivery is set by New York Stock Exchange (NYSE) rules. If LPL uses a vendor to perform the delivery, the vendor seeks reimbursement from the mutual fund on LPL's behalf and in certain cases remits a portion of the reimbursement to LPL.

Optimum Funds

LPL provides investment consulting services to the investment adviser to the Optimum mutual fund family. LPL assists the adviser in determining whether to engage sub-advisers for the Optimum Funds, along with providing other services. As compensation for these services, LPL receives investment consulting fees of up to 0.22% of fund assets from the adviser to the Optimum Funds. Because LPL receives an asset-based fee from the Optimum Funds, it has an incentive to recommend investments in the Optimum Funds. LPLE, therefore, has an incentive to recommend these investments due to its affiliation status with LPL.

Collateralized Lending Arrangements

While LPLE does not offer collateralized lending directly, it makes it available through LPL. LPL offers a program that enables customers to collateralize certain investment accounts to obtain secured loans through banking institutions that participate in the program. LPL receives compensation from these participant banks based on the amount of the outstanding loans. Compensation can be up to 0.75% of the outstanding loan amount. This compensation to LPL varies, and, therefore, LPL can earn more or less depending on the bank selected by the customer. This compensation is a conflict of interest to LPL because LPL has a financial incentive for the customer to select a bank in the program, and a participating bank that pays LPL more. However, LPL does not share this compensation with financial professionals, and therefore, a financial professional does not have a financial incentive to recommend one bank over another. LPL and its financial professionals do have an incentive to recommend that customers borrow money rather than liquidating some of their account assets so that LPL and the financial professional can continue to receive brokerage commissions and fees on those assets.

When a customer pledges assets in an account, the customer is a borrower and uses the cash and securities in the account as collateral for a loan and pays interest to the bank. Because of LPL's arrangements with the banks participating in the program, customers may be limited in their ability to negotiate the most favorable loan terms. However, customers are not required to use the banks in LPL's program, and can work directly with other banks to negotiate loan terms or obtain other financing arrangements. If a customer obtains a loan from a non-partner bank, the customer should notify financial professional of the amount of the line of credit. Customers should be aware that LPL's collateralized loan program is one way, among many, to obtain a secured loan.

Credit Cards

While LPLE does not offer credit cards directly, it makes them available through LPL. As part of its cash management services, LPL makes available credit cards for its customers through a partner bank. LPL receives a flat fee for each new activated credit card that is used by the cardholder in the first 90 days. LPL also receives a portion of the transaction volume of the cardholder's account. LPL's portion of the transaction volume varies depending on the number of LPL active cardholder accounts.

ITEM 4 PRODUCT COSTS AND RELATED CONFLICTS

Financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, annuities, and alternative investments. Each type of investment product carries unique risks, and many investment products charge fees and costs that are separate from and in addition to the commissions and fees that LPLE and financial professionals receive. You can learn more about these risks and the fees and costs charged by an investment product by reviewing the investment product's prospectus, offering memorandum, or other disclosure documents.

Set out below is the typical range of expenses of the various investment products we sell. In most cases, these expenses are in addition to the commissions and fees that LPL receives for its brokerage services.

- ***ETFs***. The expense ratios range from 0.05% to 1.0%, with an average expense ratio of around 0.44%.
- ***Mutual Funds***. Expense ratios can vary based on the type of mutual fund purchased. The average expense ratio for actively managed funds is 0.5% to 1.0%, for passive index mutual funds the average is 0.2%.
- ***529 plans***. Expense ratios for the 529 plans will vary based on the plan offered in your particular state but can range from as low as 0.0% to 1.75%.
- ***Annuities.*** The typical range of annual expenses associated with annuities is 0.60% to 5.00% dependent upon the combination of options selected by the investor including type of annuity (variable annuities have a mortality and expense fee whereas fixed index annuities do not), optional riders elected (living and/or death benefits) and investment options where applicable (subaccounts or models for variable annuities).
- ***Alternative Investments***. The typical range of annual expenses, excluding any commissions or dealer manager fees, is 0.80% to 6.00% which may include management fees, acquisition fees, disposition fees, performance participation fees, organization and offering fees, acquired fund fees and expenses, or interest payments on borrowed funds.
- ***UITs***. Typical annual operating expenses for UITs range from 0.20% to 4.00%. Equity UITs usually comprise the low end of the range while UITs whose trust consist of a basket of CEFs typically comprise the high end of the range.

Share Class and Fund Selection

LPLE offers various share classes of mutual funds and 529 plans. As an example, certain mutual fund share classes, often referred to as Class A shares, charge an upfront sales charge and an ongoing trail. For other mutual fund share classes, often titled Class C shares, there is no upfront sale charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge to the investor if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for the mutual fund or 529 plan, and other factors, one share class may be less expensive to the investor than another, and LPLE and the financial professional may earn more or less in compensation for one share class than another. Because of their characteristics and sales load structure, mutual funds generally are longer term investments. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. LPLE maintains policies and procedures that are designed to detect and prevent excessive mutual fund switching, but you should monitor your account and discuss with your financial professional any frequent mutual fund purchases and sales.

Some share classes or funds we offer do not charge or pay to us an upfront sales charge and pay us ongoing trails of 0.25% or less annually ("no-load funds"). LPLE makes no-load funds available only to certain customers or through certain of our programs. We may be compensated in other ways by sponsors of no-load funds, such as through revenue sharing payments. Because of the limited compensation from no-load funds, we have an incentive to limit the availability of no-load funds we offer and to recommend you invest in funds that impose sales charges and trails.

LPLE also offers various mutual funds and ETFs, some of which have similar or identical investment strategies but differing fee structures. For example, a mutual fund that is designed to track an index of securities, such as the S&P 500 Index, may have higher or different types of fees than an ETF that is designed to track the same index. Whether a fund or ETF is more expensive than another fund or ETF with a similar or identical investment strategy may depend on factors such as length of holding, size of the initial investment, and other factors. LPLE and a financial professional may earn more compensation for one fund or ETF than another, giving LPL and the financial professional an incentive to recommend the product that pays more compensation to us.

ITEM 5 CUSTOMER REFERRALS, OTHER COMPENSATION AND OTHER CONFLICTS

Payment for Referrals

LPLE offers programs where LPLE pays professionals, such as attorneys or accountants, for referrals. In one such program, LPLE pays such professionals for referrals exclusively to its advisory business, and customers must acknowledge the referral payment to the professional. In another program, the professionals become registered as representatives of LPLE and share in brokerage commissions and advisory fees in connection with the referral. In addition, some financial professionals offer brokerage and advisory services on the premises of unaffiliated financial institutions, like banks and credit unions. In some of those cases, the financial institution pays an employee (e.g., a teller) a "nominal" fee for referrals to a financial professional in accordance with applicable banking regulations.

LPL ENTERPRISE BROKERAGE COMPENSATION AND CONFLICTS DISCLOSURE

LPLE and its financial professionals may enter into lead generation, marketing and/or referral arrangements with third parties and other financial intermediaries, for the purpose of introducing LPLE customers to new service providers for various needs. The fees paid for these services can be structured in various ways, including as an ongoing flat fee or as one-time referral fees. Such compensation would be paid to LPL in cash, and a percentage of that compensation would be remitted to the financial professional servicing the referred client subject to the terms of the referral agreement.

Margin

While LPLE makes available margin to its customers, it does not directly provide margin credit. LPL offers customers the ability to purchase securities on credit, also known as margin purchases. When a customer purchases securities on margin, LPL extends a line of credit to the customer and charges interest on the margin balance. LPL has a financial incentive to encourage margin borrowing because LPL earns compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts. That financial incentive creates a conflict of interest insofar as LPL and financial professionals benefit from your decision to borrow and incur the various fees and interest described above. If contemplating use of margin, please consult the LPL Margin Agreement and related disclosures for additional details.

Float

If a customer holds an account at LPL, LPL maintains the assets in a segregated account and receives compensation in the form of earnings on its investment of uninvested cash. These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account before that cash is credited to a specific customer accounts. LPL also receives float on outstanding checks after they are issued by LPL to the customer and before they are presented for payment. LPL does not share this compensation with financial professionals.

Error Correction

If a customer holds an account at LPL and a trade error caused by LPL occurs in the account, LPL will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), LPL will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to LPL.

Rollovers

If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets with LPLE, because we will be paid on those assets, for example, through commissions, fees and/or third-party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. For more information about rollovers, see www.lpl.com/lpl-enterprise.html under IRA Rollover Information.

If your financial professional makes a recommendation that you move assets from an IRA at another financial institution to LPLE, he or she is required to consider, based on the information you provide, whether you will be giving up certain investment-related benefits at the other financial institution, such as the effects of breakpoints, rights of accumulation, and index annuity caps, and has determined that the recommendation is in your best interest for these reasons:

- Greater services and/or other benefits (including asset consolidation and holistic advice and planning) can be achieved with the LPLE IRA; and
- The costs associated with the LPLE IRA are justified by these services and benefits.

Notwithstanding whether a recommendation has been made, you understand and agree that with respect to any assets you decide to transfer/roll over from a qualified plan or move from an IRA at another financial institution now or in the future, you must: (1) evaluate the investment and non-investment considerations important to you in making the decision; (2) review and understand the fees and costs associated with an IRA at LPLE; (3) recognize that higher net fees (if applicable) will substantially reduce your investment returns and ultimate retirement assets; and (4) understand the conflicts of interest raised by the financial benefits to LPL Financial, LPLE and their financial professionals resulting from your decision to roll or transfer assets to an IRA at LPLE.

Limitations on Investment Recommendations

LPLE and financial professionals offer and recommend investment products from investment sponsors with which LPL has entered into selling and distribution agreements and to whom LPLE is a party or included as an affiliate. LPLE may enter into selling and distribution agreements with investment product sponsors without LPL's inclusion, however, those products will only be available on a subscription-way basis. Other firms may offer products and services not available through LPLE, or the same or similar investment products and services at lower cost. In addition, LPLE may only offer certain products in a brokerage account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa. The products offered through your particular financial professional are further curated by the agreement between LPLE and the SRA Firm. Therefore, it is possible that LPLE generally may make investment products available that are not available to a particular customer based on the limitations on product availability set forth in the agreement between LPLE and SRA Firm. The agreement between the SRA Firm and LPLE will result in more products being made available for which the SRA Firm has an interest to the exclusion of its competitors' investment products.

The scope of products and services offered by certain financial professionals may also be more limited than what is available through other financial professionals. A financial professional's ability to offer individual products and services depends on the financial professional's licensing, training or branch office policy restrictions, including those limitations set forth in the agreement between the SRA Firm and LPLE for product availability. For example, a financial professional maintaining a Series 6, Series 63 and Life Insurance Agent license is limited to providing investment company securities, such as mutual funds and UITs and variable life and annuity contracts. A financial professional maintaining a Series 7, Series 63 and Life Insurance Agent license is able to provide solutions including all securities available for sale by a Series 6 representative as well as individual stocks, bonds, and alternative investments, among others. As another example, a financial professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. To provide investment advisory services, a financial professional is often required to be registered as an IAR with the state in which the financial professional has a place of business.

You should ask your financial professional about the securities or services your financial professional is licensed or qualified to sell, and your professional's ability to service investments that you transfer to LPLE from another firm. You should also review the licenses held by your financial professional by visiting the FINRA BrokerCheck system at http://brokercheck.finra.org.

Compensation of Certain LPLE Employees

Certain LPLE employees provide sales support resources to financial professionals who offer various types of brokerage and advisory products, programs, platforms, and services. The compensation that LPLE pays to these employees varies based on a number of factors, including assets in the program and compensation earned by LPLE from the sales of these products and services. These LPLE sales employees have an incentive to promote certain LPLE programs and platforms to financial professionals over others or those available through third parties.

ITEM 6 FINANCIAL PROFESSIONAL COMPENSATION, FEES AND RELATED CONFLICTS

LPLE generally compensates financial professionals pursuant to an independent contractor agreement, and not as employees. However, some financial professionals are employees of LPLE. Described below are the compensation and other benefits that independent contractor financial professionals receive from LPLE.

Cash Compensation

LPLE typically pays financial professionals, or remits to the SRA Firm, a percentage of the revenue they generate from the sales of products and services. The percentage received can vary (typically between 90% to 100%) depending on your financial professional's agreements with LPLE, the SRA and the investment product or service recommended, and can be more or less than what he/she would receive at another brokerage firm. The payments can include enhanced compensation that is based on the amount of assets serviced or revenue generated by the financial professional. When compensation is based on the level of production or assets, the financial professional has a financial incentive to meet those production or asset levels. In addition, LPLE pays compensation to branch managers based on sales of products and services in the branch. In some cases, financial professionals pay a portion of their compensation to their branch manager or another financial professional for supervision and/or administrative or sales support. There is a conflict of interest because the compensation affects the branch manager's ability to provide objective supervision of the financial professional. LPLE and branch managers have an obligation to supervise financial professionals and may decide to terminate a financial professional's association with LPLE based on performance, a disciplinary event or other factors. The amount of revenue a financial professional generates creates a conflict of interest when considering whether to terminate a financial professional.

Other Benefits

Financial professionals are eligible to receive other benefits based on the revenue they generate from sales of products and services. These benefits present a conflict of interest because the financial professional has an incentive to remain a registered representative of LPLE in order to maintain these benefits. These benefits include eligibility for practice management support and enhanced service support levels that confer a variety of benefits, conferences (e.g., for education, networking, training, and personal and professional development), and other non-cash compensation. Such benefits may also include equity awards from LPLE's parent company, LPL Financial Holdings Inc. ("LPL Holdings"), free or reduced-cost marketing materials, reimbursement or credits of fees that financial professionals pay to LPLE for items such as administrative services or technology, and payments that can be in the form of repayable, forgivable or sign-on loans (e.g., for retention purposes or to assist a financial professional in growing a securities practice). If LPLE makes or contributes towards a loan to a new or existing financial professional, there is also a conflict of interest because LPLE's interest in collecting on the loan affects its ability to objectively supervise the financial professional.

LPL ENTERPRISE BROKERAGE COMPENSATION AND CONFLICTS DISCLOSURE

Fees Charged to Financial Professionals

LPLE charges financial professionals various fees under its independent contractor agreement for, among other things, trade execution, administrative services, insurance, certain outside business activity related supervision, technology and licensing. These charges may be applied directly to the remuneration due and owing under the SRAs. Depending on the situation, these fees make it more or less profitable for the financial professional to offer and recommend certain services or products over others. In certain cases, these fees are reduced based on the financial professional's overall business production or the amount of assets serviced by the financial professional, which gives the financial professional an incentive to recommend that you invest more in your account or engage in more frequent transactions. Transaction fees charged to your financial professional can also vary depending on the specific security that the financial professional recommends.

Recruitment Compensation and Operational Assistance

Subject to the SRA or other agreement between LPLE and the SRA Firm, LPLE typically pays or contributes towards the financial professionals recruitment compensation in connection with the financial professional joining LPLE if they become associated with LPLE after working with another financial services firm. In many cases, this assistance includes payments from LPLE that are commonly intended to assist a financial professional with costs associated with the transition or business development; however, LPLE does not verify that any payments made are actually used for those purposes. These payments can be in the form of repayable, forgivable or sign-on loans, and are subject to favorable interest rate terms, as compared to other lenders. In the case of forgivable loans, the loans are generally subject to repayment if the financial professional leaves LPLE before a certain period of time or other conditions are not met. In addition, for certain situations involving the transfer of customer accounts from a third-party platform to LPL's platform, existing financial professionals are eligible to receive a flat-dollar amount of up to $350 per transferred account to assist with offsetting the estimated time and expense incurred to complete the account transfer process.

The amount of recruitment compensation is often significant in relation to the overall revenue earned or compensation received by the financial professional at his or her prior firm. Such payments are generally based on the size of the financial professional's business established at the financial professional's prior firm, for example, a percentage of the revenue earned or assets serviced at the prior firm, or on the size of the assets that transition to LPL. The receipt of this compensation creates a conflict of interest in that the financial professional has a financial incentive to recommend that a customer open and maintain an account with LPLE for advisory, brokerage and/or custody services, and to recommend switching investment products or services where a customer's current investment options are not available through LPLE, in order to receive this type of benefit or payment.

Arrangements with Banks and Credit Unions

Some financial professionals offer brokerage and advisory services on the premises of unaffiliated financial institutions, like banks and credit unions. LPLE typically shares compensation with the financial institution, including a portion of the brokerage commissions and fees the financial professional generates. In such case, the financial institution typically pays part of that amount to the financial professional. Such compensation can vary depending on the investment product or service recommended. The financial institution can limit the types of products that may be sold by a financial professional. LPLE typically shares with the financial institution between 75% to 100% (depending on the type of investment product) of the commissions and ongoing trail payments that LPLE receives in connection with the investment. In such case, the financial professional (an employee of the financial institution) will be compensated (e.g., in the form of salary, bonus, compensation based on commissions, etc.) by the financial institution in accordance with the terms agreed upon between the financial institution and the financial professional and approved by LPLE (which vary depending on each financial institution and employee). Some of these financial institutions are affiliated with investment product sponsors (such as mutual fund sponsors or certificates of deposit) which presents a conflict of interest for a financial professional employed by a financial institution to encourage customers to invest in that financial institution's proprietary investment products. If the financial professional is not an employee of the financial institution where he/she provides services to a customer, LPLE typically shares with the financial professional between 25% to 100% and with the financial institution between 0% to 75% (depending on the type of investment product) of the commissions and ongoing trail payments that LPL receives in connection with the investment. LPLE or its affiliates employ directly a limited population of financial professionals located in financial institutions. Such financial professionals are compensated in a manner consistent with financial professionals employed by financial institutions.

Financial Professional's Outside Business Activities

Financial professionals are permitted to engage in certain LPLE-approved business activities other than the provision of brokerage and advisory services through LPLE, and in certain cases, a financial professional receives more compensation, benefits, and non-cash compensation through the outside business than through LPLE. Some financial professionals are accountants, real estate agents, insurance agents, tax preparers, or lawyers, and some financial professionals refer customers to other service providers and receive referral fees. As an example, a financial professional could provide advisory or financial planning services through an unaffiliated investment advisory firm, sell insurance through a separate business, or provide third party administration to retirement plans through a separate firm. In addition, a financial professional may sell insurance through an insurance agency not affiliated with LPLE or directly through an insurance carrier. In those circumstances, the financial professional would be subject to the policies and procedures of the third party insurance agency or carrier, typically the SRA Firm but possibly a brokerage general agency, related to the sale of insurance products, and would have different conflicts of interest than when acting on behalf of

LPL ENTERPRISE BROKERAGE COMPENSATION AND CONFLICTS DISCLOSURE

LPLE. A financial professional may earn compensation, benefits and non-cash compensation through the third party insurance agency or carrier and may have an incentive to recommend you purchase insurance products away from LPLE. If you engage with a financial professional for services separate from LPLE, you may wish to discuss with your financial professional any questions you have about the compensation they receive from the engagement. Additional information about your financial professionals outside business activities is available on FINRA's website at http://brokercheck.finra.org.

Compensation for Other Services

LPLE and financial professionals can offer various types of advisory and brokerage programs, platforms and services, and earn differing types and amounts of compensation depending on the type of service, program or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for LPLE and the financial professional than others. Certain LPLE financial professionals receive a higher payout rate for selling advisory/insurance products, which can incentivize these financial professionals to sell advisory/insurance products rather than brokerage products. As another example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

Please also note that not all of the conflicts described in this disclosure apply to a particular financial professional, the financial professional's services or all of the products we sell. The types and amounts of compensation we receive change over time. You should ask your financial professional if you have any questions about compensation or conflicts of interest.

ITEM 7 OTHER FINANCIAL INDUSTRY AFFILIATIONS

LPLE is affiliated with the broker-dealer, LPL, through which it clears customer transactions. LPLE's affiliation with LPL creates a conflict of interest as it is incentivized to clear through LPL to earn the various payments discussed in this disclosure.

LPLE is affiliated with other financial services companies. LPL and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank, are related companies. LPLE is also a related company to Fiduciary Trust Company of New Hampshire, a state chartered non-depository trust company ("FTC"). PTC and FTC serve as custodians for customer retirement accounts, including IRAs, and receives an annual maintenance fee for these services. PTC provides personal trustee services to customers for a variety of administrative fiduciary services, including services that may relate to a brokerage account. Because LPL, PTC and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC or FTC as a custodian or for personal trustee services, or if a PTC or FTC client uses LPL as a broker-dealer or investment advisor. PTC and FTC custodian and trustee services and related fees are established under a separate engagement between customers and the two firms.

LPL Insurance Associates, Inc. ("LPLIA") is an affiliated insurance agency.

LPL Financial Holdings, is a publicly traded company. LPLE does not permit its financial professionals to recommend or solicit orders of LPL Financial Holdings stock in customer brokerage accounts.

Please consult the Disclosures page on LPL's website for the current information about LPL's brokerage compensation and related conflicts of interest. LPLE posts changes to this disclosure on its website www.lpl.com/lpl-enterprise.html from time to time. LPLE may not notify you when these changes are made, so you should consult the website to learn about any changes that have been made. If you are unable to access the website or require paper copies of any documents referenced here, please contact a financial professional.

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