

---

# **IMPORTANT CLIENT INFORMATION**

---

*September 09, 2023*

**RAYMOND JAMES**

## TABLE OF CONTENTS

Section I – Raymond James.....	3	Alternative Investments .....	26
Standard of Conduct – Regulation Best Interest...	3	Structured Investments.....	27
Brokerage and Advisory Services; Capacity .....	3	Annuities and Insurance Products.....	29
Conflicts of Interest .....	4	Options.....	31
Our Affiliated Entities .....	4	Wealth Planning & Consulting Services.....	32
Section II – Account Types and Scope of Services .....	5	Private Institutional Client Desk Referrals....	32
Brokerage Accounts.....	5	Affiliate Products and Services .....	32
Advisory Accounts .....	6	Securities-Related Lending.....	33
Account Monitoring .....	6	Margin .....	33
Investment Approach.....	6	Securities Based Lending (SBL) .....	35
Section III – Compensation, Costs, and Fees .....	6	Fully-Paid Securities Lending.....	35
Costs and Fees .....	6	Cash Management.....	36
Brokerage Commissions .....	7	Capital Access .....	36
Advisory Fees.....	7	Cash Sweep Program.....	37
Product Costs and Fees.....	7	Enhanced Savings Program.....	48
Conflicts Related to Compensation.....	7	Other Services .....	49
Other Costs and Fees.....	8	Trading and Execution Services .....	49
Section IV – Investment Products and Services.....	10	Administrative Services .....	51
Understanding Investment Risks.....	11	Section V – Other Important Information .....	53
Investment Products & Services .....	12	Statement of Credit Disclosure.....	53
Equities.....	12	Account Protection.....	54
Fixed Income.....	13	Financial Advisor Certifications and Professional	
Unit Investment Trusts (UITs).....	17	Designations .....	55
Mutual Funds .....	20	Raymond James Equity Research .....	55
Closed-End Funds.....	22	Business Continuity .....	58
Exchange Traded Products.....	23		

## IMPORTANT CLIENT INFORMATION

This Important Client Information document provides disclosure related to clients' relationships with us, including information on conflicts of interests, costs and fees, and other investment-related information. Statements in this document (i) expound on and provide more definitive information on matters discussed in our Form CRS, which is summary in nature and limited in substance and size by the Securities and Exchange Commission ("SEC"); and (ii) are subject to the more complete terms and conditions of our brokerage or investment advisory agreements and disclosures (including Form ADV Part 2 or our Wrap Fee Program Brochure, as applicable, when we act as investment adviser, which is available at [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures)). This document amends and replaces in its entirety previous "Important Investor Information" disclosures you have received. We may amend this document from time to time, and you will be bound by the amended disclosures if you elect to continue receiving our services after delivery of the amended disclosures. Updated copies of this document are available at: [www.raymondjames.com/ICI](http://www.raymondjames.com/ICI). If you would prefer to receive a paper copy of the information referenced in website links throughout this document, please contact your financial advisor or Raymond James Client Services (contact information for Client Services is located on the final page of this document). We encourage you to read the contents of this document and reach out to your advisor if you have any questions.

### SECTION I—RAYMOND JAMES

#### STANDARD OF CONDUCT—REGULATION BEST INTEREST

Under the SEC's Regulation Best Interest, each U.S.-registered Raymond James broker-dealer entity and its associated persons (including your financial advisor) are required to act in the best interest of a retail client (such as a natural person using our services primarily for personal, family, or household purposes) at the time they recommend any securities transaction or investment strategy involving securities (including account-type recommendations). The requirement under Regulation Best Interest that we act in the best interest of the retail client is limited to when we make a recommendation of a security or investment strategy involving securities to a retail client. Neither Regulation Best Interest nor any best interest obligation extends to any other dealings or services we provide, including, without limitation, how we market securities and services, execute trades, the fees that we charge, or our duty to deal fairly with retail clients.

You should understand that, as a broker-dealer, we have conflicts of interest when we make a recommendation of a securities transaction or investment strategy involving securities, including that we are compensated based on the sale of securities to you, and that we recommend securities for which we may act as underwriter, that we own in our inventory, that are sponsored or managed by our affiliates, and that pay additional, and oftentimes significant, compensation to us. These conflicts of interest are described in greater detail below, as well as in other documents such as your account agreement, prospectuses and other product disclosures, trade confirmations, and account statements.

When Regulation Best Interest applies, financial advisors may be required to disclose additional information specific to them, such as material limitations on the securities or investment strategies involving securities that they may recommend, differences in their investment approach from ours generally, and any conflicts of interest that may be unique to them. If that is the case, then your financial advisor will disclose such additional information to you orally or in writing before or at the time they make the recommendation to which that additional information relates.

#### BROKERAGE AND ADVISORY SERVICES; CAPACITY

##### *Brokerage Services*

Our primary brokerage service is buying and selling securities for your account at your direction. Through financial advisors, we can offer recommendations to buy, sell, or hold securities, but you make the final investment decisions.

We will generally also provide custodial services, including maintaining custody of funds and securities accounts, and performing related receipt and delivery of funds and securities. Certain limitations on the custodial services may apply, for example, depending on the type and issuer of the security. As custodian, we will deliver, not less than quarterly, an account statement to you detailing account securities holdings, cash balances, dividend and interest receipts, account purchases and sales, contributions and distributions from the account, and the realized and unrealized gains or losses associated with securities transactions effected in the account. Additionally, we may perform other broker-dealer services, which include acting as a clearing agent for affiliated and non-affiliated firms.

### ***Investment Advisory Services***

For information regarding our investment advisory services, please visit [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures) for the Form ADV (or Wrap Fee Program Brochure, as applicable). Any investment advisory account or relationship with you is subject to the terms of the advisory agreement that you sign, and begins only after that advisory agreement is accepted by us.

### ***Financial Advisors***

We generically refer to all financial professionals who make recommendations or provide investment advice on our behalf as “financial advisors” or “advisors” in firm communications, including, among other things, our website ([www.raymondjames.com](http://www.raymondjames.com)), account forms, account statements, trade confirmations, disclosures, and letters. Your financial professional may also use a professional title or designation that does not include the term “advisor” such as “financial professional,” “financial consultant,” or a similar title. When referring to investment advisory activities of a financial professional, we sometimes refer to them as an “investment adviser representative” or “investment adviser,” each as defined in the Investment Advisers Act of 1940.

### ***Capacity in which we act as to investment advisory services and brokerage recommendations***

When we (including your financial advisor) offer or provide services to you, we will act: (i) as an investment adviser when we recommend to you an investment advisory account/relationship or provide you investment advice about an investment advisory account/relationship, including about any transaction to be carried out in an investment advisory account/relationship; and (ii) as a broker-dealer when we make any other recommendation of a securities transaction or an investment strategy involving securities.

### ***Principal Trading***

We may buy a security from you or sell you a security from our own account, typically in transactions involving bonds and other fixed income securities. Selling to you from our own account may create incentives for us to generate trading profits or minimize losses, and thus to act against your best interest.

### **CONFLICTS OF INTEREST**

This document highlights key conflicts of interest related to brokerage accounts. Generally, through our associated persons or our affiliates, we engage in lending, equity investing, investment banking, commercial banking,

corporate finance and securities issuance, trading, research, advisory, underwriting, investment management, fund administration, and custody, as well as other financial activities, all on a worldwide basis (“RJ Services”). We have relationships with a significant number of market participants, institutions, and corporations, and provide and will in the future provide services to clients, which may include parties whose interests are not aligned with other clients’ interests, or whose interests may even be adverse to other clients’ interests. We may represent or have previously provided, may be currently providing, or may provide in the future RJ Services to companies or clients from which conflicting interests or duties may arise. Except as otherwise required by applicable law, we may perform such services without any duty to notify other clients of any such engagement or to disclose information that we have obtained or may obtain about such companies or clients.

### **OUR AFFILIATED ENTITIES**

**Raymond James Financial, Inc. (RJF)** is a leading diversified financial services company providing, through its subsidiaries, private client group, capital markets, asset management, banking, and other services to individuals, corporations, retirement plans, and municipalities. RJF is a publicly traded company that has been listed on the New York Stock Exchange since 1983. Additional information is available at [www.raymondjames.com](http://www.raymondjames.com) and at [www.sec.gov](http://www.sec.gov). All of the entities listed below are wholly owned subsidiaries, directly or indirectly, of RJF.

### ***Principal Broker-Dealers and Investment Advisers***

**Raymond James & Associates, Inc. (RJA)** is a dually registered full-service broker-dealer and investment adviser that employs financial advisors predominantly in the United States. RJA financial advisors are employees and registered representatives of RJA, and predominantly also investment adviser representatives of RJA. As such, their compensation generally includes transaction-based commissions and advisory fees, as further described in this document and summarized in the Form CRS. Additional information regarding RJA and its financial advisors may be found on FINRA’s website at [www.finra.org](http://www.finra.org) and on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Raymond James Financial Services, Inc. (RJFS)** is a registered broker-dealer that supports independent contractor and bank-affiliated U.S. financial advisors in providing products and services to their clients. These independent contractors are registered securities representatives of RJFS; however, they are responsible for all of their direct costs and, accordingly, are paid a larger

percentage of commissions and fees than employee advisors of RJA. Additional information regarding RJFS and its financial advisors may be found on FINRA's website at [www.finra.org](http://www.finra.org). RJFS is an introducing broker-dealer, meaning that while RJFS is the registered broker-dealer of record for client accounts, it does not hold client assets or settle trades with counterparties; all RJFS accounts are custodied at RJA, and RJA executes and clears all transactions for RJFS.

**Raymond James Financial Services Advisors, Inc. (RJFSA)** is a registered investment adviser that supports the investment advisory activities of the RJFS financial advisors. However, certain RJFS independent contractors are also investment adviser representatives of registered investment advisers that are unaffiliated with, and independent of, RJF and its subsidiaries. Additional information regarding RJFSA's financial advisors and other independent registered investment advisers may be found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Other Affiliated Entities**

**Raymond James Insurance Group, Inc. (RJIG)** is a general insurance agency, which is licensed to sell certain insurance and annuity products. Through the financial advisors of its broker-dealer affiliates, RJIG provides product and marketing support for a broad range of insurance products, principally fixed and variable annuities, life insurance, disability insurance, and long-term care coverage.

**The Producers Choice LLC (Producers Choice)** is a national insurance and annuity marketing organization. Producers Choice provides product, marketing, back office and technical support for life insurance and annuity products for financial advisors of its broker-dealer affiliates, financial advisors of unaffiliated broker-dealers, and other licensed insurance agents and agencies.

**Carillon Tower Advisers, Inc. (CTA)** is a registered investment adviser that offers a variety of equity and fixed income strategies managed by its subsidiary registered investment advisers, including Eagle Asset Management, Inc. (Eagle), Scout Investments, Inc. (Scout), and ClariVest Asset Management LLC (ClariVest). Clients of these subsidiary investment advisers include institutions, corporations, pension and profit sharing plans, foundations, endowments, issuers of variable annuities, individuals and mutual funds. CTA also serves as investment adviser and fund administrator to its proprietary mutual funds, the Carillon Family of Mutual Funds. Additional information regarding CTA, Eagle, Scout, and ClariVest may be found in each

investment adviser's ADV Part 2A or on the SEC's website at [www.adviser.sec.gov](http://www.adviser.sec.gov).

**Raymond James Bank (RJ Bank)** is a Florida-chartered member bank primarily regulated and supervised by the Federal Reserve and the Florida Office of Financial Regulation. RJ Bank is also regulated and supervised by Federal Deposit Insurance Corporation (FDIC) and the Consumer Financial Protection Bureau. RJ Bank provides corporate, small business and residential loans, as well as FDIC-insured deposit accounts, to clients of its broker-dealer affiliates and to the general public.

**Raymond James Trust, N.A. (RJ Trust)** is a nationally chartered trust company, chartered by the Office of the Comptroller of the Currency (OCC). RJ Trust provides trustee, co-trustee, custodial, personal representative, and agent-to-trustee services to clients of its broker-dealer affiliates and to the general public.

**Raymond James Trust Company of New Hampshire (RJTCNH)**, a wholly owned subsidiary of Raymond James Financial Inc., is a New Hampshire-chartered trust company primarily regulated by the New Hampshire Banking Department. RJTCNH acts as custodian for all Raymond James individual retirement accounts (IRAs) with RJA as sub-custodian. RJTCNH also provides trustee IRAs and a suite of trust-related services and solutions designed to preserve wealth, meet estate-planning needs and deepen client-advisor relationships.

## **SECTION II—ACCOUNT TYPES AND SCOPE OF SERVICES**

### **BROKERAGE ACCOUNTS**

In a brokerage account your financial professional can offer recommendations to buy, sell, or hold securities but you make the final investment decisions. Information regarding the differences between broker-dealers and investment advisers, as well as their respective service offerings, is summarized in the Form CRS.

#### **Requirements to Open a Brokerage Account**

We retain the authority, in our discretion, to decline to open or maintain any account or service, and to decline to accept or act upon any order or instruction. Without limiting the scope of the preceding sentence, for prospects and clients

who reside outside of the U.S., are incorporated/formed outside of the U.S., or have other significant connections to countries outside of the U.S., we may in our discretion (i) decline to open or continue an account or service, (ii) require a minimum account or relationship amount to open or continue an account or service, (iii) require additional information or documentation as a condition of providing an account or service, or (iv) otherwise restrict the accounts, products, or services that we will provide.

### **Retirement Accounts**

When providing brokerage services, we act solely in the capacity of a registered broker-dealer, and not as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

### **ADVISORY ACCOUNTS**

Information regarding our advisory business practices and accounts is summarized in the Form CRS and more fully described in the Form ADV (or Wrap Fee Program Brochure, as applicable) (the “Advisory Disclosure Documents”). A copy of these disclosure documents is available from your financial advisor, and can also be located at [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures).

### **ACCOUNT MONITORING**

In an investment advisory account or relationship, we conduct ongoing monitoring of advisory accounts tailored to the advisory relationship with the particular client and type of advisory account, except for certain periodic or point-in-time investment advice, such as financial planning. In contrast, in a brokerage account or relationship, we are neither required nor agree to provide account monitoring services. Although individual financial advisors may voluntarily consider holdings in your brokerage account or brokerage relationship for purposes of determining whether to provide any recommendations to you, this does not constitute an account monitoring service for that brokerage account or relationship. This distinction between a brokerage account or relationship from an advisory account or relationship is important, and you should consider this distinction, among other factors such as the payment of commissions versus asset-based fees or the availability of discretionary advice, when deciding what kind of account or relationship to have with us.

### **INVESTMENT APPROACH**

We support your advisor’s use of a disciplined process for developing investment recommendations to achieve your financial objectives.

Your advisor will seek to understand your objectives through clear communication with you about your financial situation, as well as your unique needs and preferences, prior investment experience, risk tolerance, and other important information about you.

In making a recommendation, your advisor will evaluate a range of potential investment products and financial services. We provide a variety of resources to assist your advisor in evaluating the costs, risks, rewards, and other characteristics of investment options.

Your advisor may recommend a comprehensive strategy, or may address a particular component of your financial objectives, based on the information you provide.

Periodically reviewing and refreshing your investment strategy with your advisor is essential to ensuring your investment portfolio remains appropriately diversified and aligned with your risk tolerance and objectives. With that in mind, please notify your advisor of any changes to your financial or personal circumstances.

## **SECTION III—COMPENSATION, COSTS, AND FEES**

### **COSTS AND FEES**

In a brokerage account, you will incur transaction charges when you buy or sell securities, including: commissions; markups and markdowns (analogous to commissions in a principal transaction); upfront or ongoing fees that you pay to a mutual fund or other product issuer, a portion of which is paid to us in connection with your transaction; and handling and processing fees on securities transactions.

Depending upon your account and relationship, you may also incur periodic account maintenance or Individual Retirement Account (“IRA”) custodial fees, as well as processing, service, and account fees upon certain events or occurrences. You will incur interest charges if you borrow on margin or through a securities-based loan in any of your accounts. Certain investments, such as mutual funds, have embedded fees that are generally paid by you to the companies that sponsor, manage, or promote the investment.

You will pay costs and fees whether you make or lose money on your investments. Costs and fees will reduce any amount of money you make on your investments over time. Please make sure you understand what costs and fees you are paying. You have the option to purchase almost all

investment products that we recommend through other broker-dealers, and it may cost you more or less to do so.

## **BROKERAGE COMMISSIONS**

### ***Commissions, Generally***

Certain charges are levied on the purchase and sale of securities in brokerage accounts. These charges, commonly referred to as “commissions,” are imposed by us for providing brokerage services, including trade execution and handling. Generally, commissions are calculated based on the principal purchase or sale amount involved and vary depending on product type, quantity of securities purchased, and other factors. Specific fees are itemized on the periodic account statements for the period in which the charge was incurred and are included in the “Expense” summary section that appears on each account statement. For additional information regarding charges which may be incurred, visit [www.raymondjames.com/clientfees](http://www.raymondjames.com/clientfees).

Typically, a brokerage commission and other transaction fees are charged to clients by adding to the principal amount of a purchase or subtracting from the proceeds of a sale of a security, which is deducted from the client account.

### ***Financial Advisor Compensation***

We pay financial advisors a portion of the commissions that we receive. Financial advisor compensation generally will increase as the volume of trades increases in a brokerage account. Please consider whether a fee-based advisory account may be beneficial if you anticipate frequent trading or whether paying an annual fee may be more costly than paying commissions in a brokerage account, such as if you plan to hold investments for longer periods of time, purchase and hold high-quality fixed income securities until maturity, or otherwise trade relatively infrequently. You should also consider that there are often embedded costs in actively managed portfolios (i.e., advisory accounts) and certain types of packaged investments, even if these investments are purchased in an advisory or fee-based account. When investment managers for a portfolio or a packaged investment buy or sell stocks, bonds, or other underlying securities, there is a bid/ask spread and transaction costs to the manager that are absorbed by the investor in the form of reduced returns.

When a financial advisor chooses to become an associated person of our firm, we may pay the financial advisor compensation in connection with their transition from their prior firm. We often offer both an upfront payment and additional potential compensation based on the revenues generated from the accounts of the financial advisor’s clients

in the first few years, or in some cases based on the growth in total assets that the financial advisor manages. This creates incentives for the financial advisor to encourage you to move your assets to Raymond James and to produce greater revenues for us.

## **ADVISORY FEES**

Information regarding our advisory business practices, advisory accounts, and applicable fees is summarized in the Form CRS and more fully described in the Form ADV (or Wrap Fee Program Brochure, as applicable). A copy of these disclosure documents is available from your financial advisor, and can also be located at [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures).

## **PRODUCT COSTS AND FEES**

In addition to commissions, most products and services have other associated costs and fees, as summarized below in *Section IV—Investment Products and Services*. These costs and fees are detailed in a product’s relevant offering documentation, and will be reflected on your trade confirmations and account statements.

## **CONFLICTS RELATED TO COMPENSATION**

### ***Compensation and Advisory Accounts, Generally***

Transaction charges differ from one product to another, which creates an incentive for us to recommend products that have higher transaction charges. You will incur greater total transaction charges when there are more trades in your account, which creates an incentive to encourage you to trade more often.

Commissions and certain service and administrative fees earned by financial advisors or us may not apply if such products and services are purchased or utilized in a wrap fee-based advisory account where you pay a fee in lieu of a commission for investment transactions in the account (in contrast to a fee-based advisory account that also incurs investment transaction charges). You should review the *Advisory Fees* subsection above and the related links for additional information regarding advisory fees. Clients should carefully review the Form CRS, the above *Section II—Account Types and Scope of Services*, the client agreements, and the additional Advisory Disclosure Documents when deciding whether a fee-based account or a brokerage account is a better fit.

### ***Related-Party Compensation***

Through our associated persons and our affiliates, we engage in a variety of services, as described in Section I under *Conflicts of Interest*. You should expect that we receive



compensation for these services and that such compensation may be shared among our affiliates. You should also expect that we will receive additional compensation (not related to ERISA plans) from some mutual fund, exchange traded product, and insurance companies in the form of sales and asset-based education and marketing support payments and other shareholder servicing payments. We are incentivized to make available and recommend proprietary products and products that pay greater or additional compensation to us.

### **Non-Cash Compensation**

We may also receive various forms of non-cash compensation from product vendors who sell or issue mutual funds, annuities, insurance, unit investment trusts, and other securities. Among other things, we may receive payment of expenses related to training and educational efforts directed toward financial advisors, including participation in conferences organized or sponsored by us to provide generalized information not specific to any product. We may receive a fee of up to \$50,000 from an individual issuer, sponsor, or manager to offset the cost of a conference.

We may also receive meals and entertainment of reasonable and customary value, and gifts up to \$100 per issuer or vendor per year. In addition, as permitted by applicable law, you should expect that we will receive referral fees or finder's fees for referring certain business to affiliates, to third parties, or for assisting others in developing new business.

### **OTHER COSTS AND FEES**

#### **Administrative Fees/Charges, Generally**

Part of our commitment to providing you the professional guidance you need to meet your financial objectives is helping you to understand what you may be charged for services. Certain fees may not apply, or may be discounted, based on the type of account you have and/or the amount of assets you hold in your Raymond James accounts. Other fees only apply when the associated services are requested or when special processing is required. As a result, many fees listed below may not apply to your account.

The fees and charges noted in this section may not be comprehensive, and there may be different or additional fees or charges depending on the products or services selected. If you have any questions about fees, please contact your financial advisor. To view an up-to-date listing of our current fees at any time, visit [www.raymondjames.com/clientfees](http://www.raymondjames.com/clientfees).

#### **Account Fees**

**Account Maintenance Fee:** \$75

Waived for clients with eligible assets totaling \$250,000 or greater. This fee is not applicable to the following types of accounts: (i) IRAs; (ii) Capital Access cash management accounts, (iii) Raymond James Trust accounts, (iv) fee-based managed and advisory accounts, (v) 529 plan accounts, (vi) guardianship and conservatorship accounts, and (vii) accounts open less than 12 months. You can receive a \$25 account fee credit when you choose online document delivery and meet eligibility requirements. For more information about eligible assets for fee waiver or for eligibility requirements for the account fee credit, please contact your financial advisor.

#### **Raymond James Retirement Account Fees:**

Traditional, Roth, SEP, or SIMPLE IRA fee: \$75

Waived for clients with eligible assets totaling \$500,000 or greater and for fee-based managed and advisory accounts. These fees apply to the above-listed retirement account types only. You can receive a \$25 account fee credit when you choose online document delivery and meet eligibility requirements. For more information about eligible assets for fee waiver or for eligibility requirements for the account fee credit, please contact your financial advisor.

#### **Annual Pledged Account Fees:**

For accounts where assets held in the account are pledged as collateral.

- Accounts with market value of \$25,000 or more: \$75
- Accounts with market value of less than \$25,000: \$150

#### **Processing Fees**

**Handling/Processing Fee:** \$5.95

Charged on most transactions as indicated on the transaction confirmation you receive. Certain transactions and account types, such as advisory accounts and mutual fund redemptions, are exempt from this fee.

#### **Returned Deposit Items (Check/ACH):** \$20

Assessed when a third-party check is deposited into a Raymond James account and is returned for insufficient funds by the institution from which it was drawn.

#### **Extensions For Payment or Securities Received After Settlement Date:**

Assessed when such extension requires regulatory notification.

- First extension: \$20
- Second extension: \$40

**Non-U.S. Security Processing:** \$150



Costs associated with the deposit of non-U.S. physical securities vary depending on the depository that holds your security. Additional out-of-pocket expenses, such as depository fees, taxes, and mailing costs, may also be charged.

**Physical Certificate Issuance: \$500**

Assessed for each physical certificate issued.

**Re-Registration of Physical Client Name Certificates or Registered Stock: Varies**

Determined by the security's transfer agent and applies to certificates submitted for service transfers, such as change of registration, legend removal, or certificate cancellation.

**Physical Certificate Deposit Rejects: \$125**

Assessed when a certificate presented to us for processing is discovered to have been stopped by the shareholder or canceled through participation in a corporate action. This fee is a pass-through fee determined by the Depository Trust & Clearing Corporation.

**Retirement Account Manual Investment Fee: \$150**

Assessed on transactions that exceed normal brokerage activity or require manual handling in retirement accounts.

**Transfer Fees:**

- Transfer of an Account from Raymond James: \$125
- Transfer of a non-U.S. Security: \$50

**High-Risk Security Custody Review: \$250**

Assessed on the deposit of higher-risk securities, such as nano cap, low-priced ("penny stock"), and thinly traded securities, to review whether we may accept or maintain custody, as these securities are more susceptible to potential manipulation and fraud.

**Closing Fee:**

Charged for administrative services in connection with distributions and transfers to other financial institutions.

- Related to the External Transfer of an Account from Raymond James: \$125
- Related to the Termination of a Retirement Account through a Distribution: \$100

**Exchange Fee/Regulatory Transaction Fee: Varies**

A Regulatory Transaction ("RT") Fee is collected to recover transaction fees paid by us to an exchange or other self-regulatory organization (collectively, "SROs") in connection with the sale of certain securities such as equities, options, and other covered securities. The amount of the RT fee varies

and is determined periodically by the assessing SRO in accordance with Section 31 of the Securities Exchange Act of 1934, as amended. Section 31 requires SROs to pay transaction fees to the SEC based on the volume of securities sold on their markets. SROs, in turn, have adopted rules charging their broker-dealer members the applicable amount of the fee charged to the SROs by the SEC. Broker-dealers are not required to charge their clients these fees. These fees are designed to recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. If a transaction in your account results in an RT Fee, it will be reflected on your trade confirmation.

**990-T Tax Filing and Processing Fee: \$200**

**Service Fees**

**Certified or Cashier's Check: \$25**

Waived for clients with eligible assets totaling \$500,000 or greater.

**Outgoing Wire Transfers:**

- U.S.: \$25
- Non-U.S.: \$40

The first four wire fees per calendar year are waived for eligible clients. Clients can cancel a non-U.S. wire request within 30 minutes of providing instructions, and can dispute errors within 180 days of the wire, by contacting their financial advisor or Raymond James Client Services at 800.647.7378 or [clientservices@raymondjames.com](mailto:clientservices@raymondjames.com). The non-U.S. recipient of a wire may receive a lower amount than the amount sent due to fees charged by the recipient's bank and local taxes. For questions or complaints about an international wire through us, contact the Consumer Financial Protection Bureau toll-free at 855.411.2372 or online at [consumerfinance.gov](http://consumerfinance.gov), or the Florida Office of Financial Regulation at 850.487.9687 or online at [flofr.com](http://flofr.com).

**Early Payout of Money: \$25 plus interest**

Interest is calculated using our base rate plus 2.75% and is assessed for the number of days payout is received prior to settlement date. Only three early payouts are permitted during a 12-month period; early payout is not available for IRAs.

**Check Disbursement:**

- Standard: No Charge
- Overnight: \$20
- Saturday: \$30

**Foreign Exchange Currency Conversion:** Commission varies due to account type and amount traded.

Standard settlement is the transaction date plus two business days (T+2) on most currencies. The costs for this service are embedded in the foreign exchange rate and normally range from 1.0% for smaller trades down to 0.15% for large trades over \$1.3 million.

**Short Sales:** Please contact your financial advisor for fees that may be associated with borrowing shares.

#### **Capital Access Account Fees**

**Capital Access Annual Fee:** \$150

The annual Capital Access fee is waived for clients with eligible assets totaling \$500,000 or greater, clients who make average monthly direct deposits of \$1,000, or clients who have other Capital Access-eligible fee based accounts. The annual fee is assessed one year after the account is established and every anniversary thereafter. You can receive a \$25 account fee credit when you choose online document delivery and meet eligibility requirements. For more information about eligible assets for fee waiver or for eligibility requirements for the account fee credit, please contact your financial advisor.

#### **Capital Access Service Fees:**

Insufficient Funds: \$35 (for returned checks/ACHs)

#### **ATM Surcharge Fees:**

Clients are reimbursed up to \$200 in ATM surcharge fees per year. Standard ATM fees will apply after reaching maximum reimbursement amount for the year. Clients with eligible assets totaling \$500,000 or greater are reimbursed an unlimited amount in surcharge fees per year.

#### **Complimentary Services**

The following services are available to clients at no additional charge.

- Client Access—Online Account Access  
[www.raymondjames.com/clientaccess](http://www.raymondjames.com/clientaccess)
  - Secure, paperless account documents
  - Downloads to Quicken® and CSV (comma-delimited) files
  - Award-winning investment research and commentary
  - Mobile App
  - Funds Transfer
- Cost Basis Information
- TurboTax® Data Imports
- Your Choice of Account Statements

- Account Linking
  - Combined mailings
  - Potential fee discounts
- ACH Funds Transfers
- Direct Deposit
- Automated Required Minimum Distributions
- Transfer to Beneficiary Services
- Dividend Reinvestment

## **SECTION IV—INVESTMENT PRODUCTS AND SERVICES**

### **OVERVIEW**

We offer a wide range of investment products. Deciding which products and services to invest in can be complex. It is important for you to work with your financial advisor to evaluate whether the objectives, risks, costs, and other characteristics of a product or service are aligned with your individual needs and objectives.

Commissions described in this section may not apply if such products and services are purchased or utilized in a wrap fee-based advisory account where you pay one fee for all transaction-related services (in contrast to a fee-based advisory account that still incurs transaction charges). Information regarding our advisory business practices, advisory accounts, and applicable fees is summarized in the Form CRS and more fully described in the Form ADV (or Wrap Fee Program Brochure, as applicable). A copy of these disclosure documents is available from your financial advisor, and can also be located at [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures). Clients should carefully review the Form CRS, this document, the client agreements, and the additional Advisory Disclosure Documents when deciding whether a fee-based account or a brokerage account is a better fit.

### **Product Limitations, Generally**

All securities available to the market are not offered by us due to structure, size, and liquidity of the security or similar characteristics of the security or underlying investments. Additionally, except for most individual equity offerings, we maintain due diligence processes to evaluate an issuer's publicly filed financial history and future projections, the issuer's operational capabilities, and the products and sales literature offered by the issuer. The due diligence process is often tailored to the type of product or service offering.

Although we do not publish proprietary fixed income research on individual bonds or cover all stocks in our proprietary equity research, financial advisors have access to independent third-party research which can be furnished on request. Additional limitations may be noted in the product and service sections below.

#### **Additional Information, Generally**

Certain products have offering documents that are created by the issuer to provide additional information specific to that product, including specific conflicts of interest. These offering documents are often referred to as “prospectuses,” “official statements,” “offering circulars,” or “offering memoranda.” It is imperative that you read and understand a product’s relevant offering documentation prior to deciding to invest in that product. Offering documents for products or services offered by our affiliates will contain additional information related to conflicts of interest specific to the affiliate relationship. You will also be subject to additional terms, conditions, and disclosures in additional agreements, documents, and other disclosures we send you from time to time.

#### **UNDERSTANDING INVESTMENT RISKS**

Investing is a serious business, which, while offering potentially positive returns over the long run, merits your attention to the associated risks, to the decision-making process, and to changes in your financial needs that may necessitate alterations to your investment approach. You should remember that you bear the risk of loss when investing, and that usually the higher the potential reward, the greater the potential risk of an investment.

While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available product offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you, or help you find them.

Securities investments, including mutual funds and even government bonds, are not insured by the federal government against market loss. All investments contain some measure of risk, from the high risks attendant to investing in small, unproven companies to the risks of price fluctuations based on interest rate changes in investments issued by the U.S. Treasury, if sold prior to maturity. Furthermore, reasonable investment objectives can be

hindered by factors outside of anyone’s control. Among others, you face the following investment risks:

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

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, standardized products with active trading markets are more liquid. For example, U.S. Treasury securities are highly liquid, while real estate properties are not.

**Reinvestment Risk:** The risk that future proceeds from investments will be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the economic environment.

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

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

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

**Valuation Risk:** This is the risk that an asset is improperly valued in relation to what would be received upon its sale or redemption at maturity.

**Inflation Risk:** When inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the increasing rate of inflation.

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

**Tax Risk:** This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

**Cybersecurity Risk:** Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information. A cybersecurity breach could result in the loss or theft of client data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.

**Technology Risk:** Digital and network technologies are critical to conducting business, and we maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well

as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other service providers. Technology systems may fail to operate properly or become disabled as a result of events or circumstances beyond our control or the control of our service providers. Technology failures, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties, or the inability to conduct business.

In addition to the above risk factors, certain trading strategies may involve additional risks. For example, a "**day-trading strategy**" refers to a trading strategy characterized by the regular transmission by a client of intra-day orders to effect both purchase and sale transactions in the same security or securities, which can involve significant risks. Additional information regarding day trading is available at: [www.raymondjames.com/daytrading](http://www.raymondjames.com/daytrading).

Additionally, investing in **speculative securities**, such as low-priced stocks and newly issued equity securities, as well as securities of historically unprofitable companies, involves more than average risk and can experience volatile price behavior. For example, with respect to new industries, stocks issued by relatively unproven companies typically have valuations that materially exceed valuations based on traditional business methods. Options are similarly speculative as the price declines over the option's life unless the underlying stock price moves quickly. Although prospective investment returns may be higher than normal, only investors capable of sustaining the complete loss of their investments should purchase speculative securities.

## INVESTMENT PRODUCTS & SERVICES

### EQUITIES

#### *Product Description*

Equity investments are purchases of shares of securities issued by individual companies, which are typically traded on an exchange. Equity ownership may have a different format depending on the capital structure of a company. For example, ownership interests in Master Limited Partnerships (MLPs) and Real Estate Investment Trusts (REITs) are not structured as "shares," but instead are typically structured as "units" (i.e., MLP Units) or REIT Shares of Beneficial Interest (SBI), usually for the purpose of maximizing tax efficiency.

#### *Features and Characteristics*

- Generally more liquid than other products, if traded on an exchange.

- Some offer dividends.
- Some have voting rights.
- Relatively low minimum investment amounts, when compared to other products.

### Risks

- Can lose value based on poor performance of the issuer or during periods of low trading activity (*i.e.*, illiquidity).
- No FDIC insurance.
- Rights are junior to other creditors (*e.g.*, bondholders) in the event of bankruptcy.

### Considerations

**General Market Risk:** Stock prices of companies with excellent results and fundamentals can decrease materially for substantial periods of time (*e.g.*, in a bear market).

**Tax Considerations:** Certain equity investments, such as MLPs and REITs, may pass tax liabilities directly to investors.

**Initial Public Offerings:** Investments in equity securities of newly listed public companies have their own considerations. Please visit [www.sec.gov/files/ipo-investorbulletin.pdf](http://www.sec.gov/files/ipo-investorbulletin.pdf) for an overview.

### Costs and Fees Paid by Clients

- **Commissions.**
- **Markup or Markdowns:** When equities are purchased or sold from our inventory, a markup or markdown (analogous to a commission) will be charged.
- Initial public offerings could have additional fees, which will be described in the applicable offering documents.

### Compensation

#### Raymond James & Financial Advisor Compensation

- Commissions.
- Principal Transactions: We may earn a trading profit in connection with such transactions, known as a spread, which is the difference between the amount we paid for the security and the amount a client pays.
- Initial Public Offerings: The public offering price of a newly issued security also includes a sales concession, which represents the amount paid to us in connection with your purchase of the security.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### Product Limitations

Please see the *Trading and Execution Services* section below and the *Product Limitations, Generally* subsection above.

### Other Potential Conflicts of Interest

**Initial Public Offerings:** If we act as an underwriter for an issuer, we will be providing services for the issuer such as allocating investment opportunities and structuring the offering, and receiving compensation for such services, which could conflict with your interests.

### Additional Information

As a market intermediary, we may execute trades that are in conflict with our research.

## FIXED INCOME

### Product Description

Most fixed income securities are debt instruments offering investors defined cash flows, *i.e.*, a fixed amount of interest, and a specific timeline for return of the par or face value on the bond. In general, specific characteristics of higher quality fixed income cause it to be one of the most predictable asset classes and thus a more conservative means to protect an investor's wealth and/or to provide steady income. Additional information about fixed income securities is available at:

[www.raymondjames.com/fixedincomeconsiderations](http://www.raymondjames.com/fixedincomeconsiderations).

### Features and Characteristics

**Insurance:** Some fixed income securities are insured. Any guarantees such as that of the United States government, FDIC, or any other insurance applies only to the face value of the investment and not to any premium paid, nor does it protect the investor from market risk. There is always the risk that the insurer itself could declare bankruptcy or otherwise fail to meet its obligations under the insurance terms.

**Optionality:** Optionality refers to special options available to either the issuer or the bondholder. A common option is a call feature. An issuer with a call option is allowed to "call" or retire the bond issue on a predetermined date, at a predetermined price or according to a predetermined formula, prior to the stated maturity date. Callable bonds often provide investors higher yields versus non-callable bonds to compensate investors for the additional risk associated with a call. An issuer would typically call a bond if interest rates are lower and it is advantageous to them to reissue new debt at a lower interest rate.

Conversely, a put feature allows the investor, or bondholder, to "put" (retire) a bond early and retrieve their invested principal prior to the maturity date, subject to limitations. Additionally, some bonds have a convertible feature, allowing the holder to convert the bond into stock of the issuing company.



**Redemption Provisions:** These provisions provide the issuer an option to repay principal prior to maturity and may change the term of the investment, which may affect price or yield calculations.

**Estate Protection Feature (Survivor's Option):** Certain bonds include a feature allowing the estate of the beneficial holder to redeem the bond for face (par) value in the event of the beneficial holder's death, regardless of the price at which the security is trading at that time. If this security has a zero coupon, then it will be redeemed at the accreted value. As certain limitations may apply such as holding periods or annual limitations, please refer to each individual issuer's offering documents. Brokered certificates of deposit (CDs) also generally include an estate protection feature.

**Original Issue Discount (OID):** These securities are issued at a price less than the stated redemption price at maturity. OID may be deemed interest income and may be reportable for tax purposes as it accrues whether or not you receive any interest payments from the issuer during the year. Please consult with your tax advisor regarding specific OID tax treatment.

**Step-Up Coupon Securities:** These securities increase their coupon payments over a period of time according to a predetermined schedule, unless called at the issuer's option. Coupon adjustments may not reflect changes in interest rates. When investing in a step-up security, you may be accepting lower yields initially than comparable fixed-rate securities in return for the potential of receiving higher yields over the life of the investment. However, there is a greater likelihood that the issuer will call these bonds when prevailing interest rates are lower than the current coupon, potentially affecting the yield on the security.

**Variable Coupons:** Also referred to as "floater" or "adjustable" rate bonds, these pay interest at rates which vary over time and are tied to a specific index such as Treasuries, the London Interbank Offered Rate (LIBOR), an inflation index, or some other benchmark or combination of indices. Interest payments may fluctuate. Variable rate bonds provide the holder with additional interest income if the underlying rates rise, or with reduced interest income if the rate falls. Central banks and regulators have convened working groups to transition away from LIBOR to replacement interest rate benchmarks. On March 5, 2021, the United Kingdom's Financial Conduct Authority (FCA), which regulates LIBOR, announced it will cease publication of the most commonly used USD LIBOR tenors after June 30, 2023, though the less commonly used tenors will cease publication

after December 31, 2021. U.S. federal banking agencies have issued guidance strongly encouraging institutions to cease entering into contracts that reference LIBOR as soon as practicable, and no later than December 31, 2021. A change in the reference rate may have a material impact on the value of any securities based on or linked to a LIBOR benchmark.

**Zero Coupon Bonds:** These securities may have higher price fluctuations since there are no regular interest payments. These are bonds issued at a deep discount. The redemption is for the full face value making up for the lack of periodic interest payments through a lump sum payout at maturity.

### **Risks**

**Credit Risk:** Generally, bonds with a lower credit rating indicate a higher potential for financial risk and will generally command a higher offering yield. Conversely, bonds with a higher credit rating indicate less likelihood for financial difficulties and generally provide a lower yield to investors. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied. Non-rated securities tend to be more speculative in nature and are less liquid. Although rating agencies assist in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction, or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A rating agency may also place an issuer under review or credit watch, which may be another indicator of a future rating change. Your trade confirmations, online accounts, and monthly statements display only the ratings of those rating agencies to which we subscribe.

For more information on rating agencies, including important disclosures regarding the rating process, please visit [www.moodys.com](http://www.moodys.com), [www.standardandpoors.com](http://www.standardandpoors.com), and [www.fitchratings.com](http://www.fitchratings.com).

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

**Interest Rate Risk:** Generally, as interest rates rise, the price of a bond will fall and conversely, as interest rates fall, the price of a bond will rise. The yield offered on bonds is based



upon a collective associated-risk evaluation, coupled with a market-determined spread over a similarly traded riskless transaction (historically measured versus a similar maturity U.S. Treasury bond). As interest rates fluctuate, the yield on most bonds will be adjusted accordingly.

**Reinvestment Risk:** Timing of reinvestment of returning interest or principal can cause an investor's return to fluctuate. In a falling interest rate environment, an investor will likely benefit from higher coupons and longer maturities as this prevents the need to reinvest into a lower, less favorable interest rate environment. If interest rates are rising, higher coupon and/or short maturities allow an investor to take advantage of rate increases and put their money to work at improving interest rates.

**Liquidity Risk:** Liquidity is the ability to sell (liquidate) a position. Many fixed income securities trade in an active secondary market, and many broker-dealers, including us, may maintain a secondary market in securities; however, there is no assurance that an active market will be maintained.

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

**Currency Exposure:** The exchange rate between the U.S. dollar and other currencies will fluctuate and can be unpredictable at times. A decline in the value of a foreign currency versus the U.S. dollar value could reduce the dollar value of securities held in that foreign currency and will reduce the value of that foreign currency held in cash. Foreign currency exchange rates may fluctuate significantly and may be affected by political instability, currency controls, or intervention from the U.S. government, foreign governments, or central banks.

#### ***Common Types of Fixed Income Securities Offered at Raymond James***

**Brokered Certificates of Deposit (CDs)** purchased through a securities broker and held in a brokerage account are considered deposits with the issuing institution and are insured by the Federal Deposit Insurance Corporation (FDIC). FDIC deposits are insured up to \$250,000 per issuer (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts. Brokered CDs are redeemable at par upon the death of the beneficial owner. Only the par or face value (not

the premium paid) is FDIC-insured. Additional information is available from the FDIC at

[www.fdic.gov/deposit/deposits/index.html](http://www.fdic.gov/deposit/deposits/index.html), from the SEC at [www.sec.gov/investor/pubs/certific.htm](http://www.sec.gov/investor/pubs/certific.htm) and from Raymond James at [www.raymondjames.com/CDdisclosures](http://www.raymondjames.com/CDdisclosures).

**Corporate Bonds** are debt obligations issued by U.S. and foreign companies, most of which represent unsecured promises to repay the principal at a pre-determined future date, although some may be secured by a lien on certain corporate assets. In most instances, the issuing company also agrees to pay interest to investors. As bonds are obligations of the issuer to pay back borrowed funds, they generally have a higher priority to pay interest prior to any dividend distributions on the issuer's preferred or common stock.

**GSE** securities are issued by government-sponsored enterprises (GSEs). Payment of principal and interest is the obligation of the issuer. These securities are also known as agency securities. Although they are not guaranteed by the U.S. government, they maintain an implied backing. They are subject to market risk if sold prior to maturity. Ginnie Mae (GNMA) securities are backed by the full faith and credit of the United States government.

**Mortgage-backed securities and Collateralized Mortgage Obligations** are priced based on an average life, which includes prepayment assumptions that may or may not be met, and changes in prepayments may significantly affect yield and average life. The actual maturity date may be shorter than stated. For more information, please review FINRA's Investor's Guide to Mortgage Securities and collateralized mortgage obligations at [www.finra.org](http://www.finra.org).

**Tax-Exempt Municipal Bonds** are issued by state and local governments as well as other governmental entities to fund their capital expenditures, such as the construction of highways, hospitals, schools, and sewer systems. Interest on these bonds is generally exempt from federal taxation and may also be free of state and local taxes for investors residing in the state and/or locality where the bonds were issued. However, municipal bonds may be subject to the federal alternative minimum tax (AMT), and profits and losses on bonds may be subject to capital gains tax treatment. Municipal securities may lose their tax-exempt status if certain legal requirements are not met, or if tax laws change.

Additional information about individual municipal securities is available on the Electronic Municipal Market Access website (EMMA) of the Municipal Securities Rulemaking Board (MSRB) at [www.emma.msrb.org](http://www.emma.msrb.org).

**Taxable Municipal Bonds** are issued by state and local governments as well as other governmental entities to fund redevelopment districts, stadiums, pensions, utilities, and other projects. Interest or other investment return is included in gross income for federal income tax purposes and may also be subject to state and local income tax. A municipal security may be issued on a taxable basis because the intended use of proceeds does not meet federal tax law requirements for the exclusion from gross income, because certain other federal tax law requirements are not met, or because the issue qualifies for a tax credit or subsidy. Additional information about individual municipal securities is available on the EMMA website at [www.emma.msrb.org](http://www.emma.msrb.org).

**Preferred Securities** are comparable to fixed income investments as their coupon/dividend payments are generally fixed over the term of the investment and will react similarly to other debt investments to changes in market conditions. Some preferred securities pay variable payments that fluctuate and may provide the holder with additional income if the underlying rates rise or with reduced income if the rate falls. Please refer to the description in the “Variable Coupons” paragraph above. Preferred securities present a greater risk than corporate bonds because they are generally subordinate to debt in liquidation priority. Preferred securities are quoted on either a current yield basis or a yield-to-call basis if trading at a premium. For preferred securities that pay dividends, the dividend is paid at the discretion of the issuer’s board of directors, and holders generally do not have voting rights. Preferred dividends may be cumulative or non-cumulative.

Some preferred securities may have a deferred interest feature, which allows the issuer, in certain circumstances, to defer payments from five to 10 years or longer depending on the security. The deferred income will generally accumulate, and may be treated as ordinary income for the year in which it is accrued, even though the holder of the security receives no payment until the issuer reinstates interest payments. If deferred, the ability of the issuer to reinstate interest payments is subject to the creditworthiness of the issuer. Changes in income payments may significantly affect yield and final term of the investment and consequently the price may decline significantly. Additionally, preferred securities generally carry no change of control provisions.

**U.S. Treasury securities** are issued and guaranteed by the U.S. government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value. U.S. government bonds are guaranteed as to the timely payment of principal and interest; however, these securities are subject to market risk if sold prior to maturity. The U.S. Treasury also issues two-year maturity floating rate notes that pay interest and adjust payments quarterly, as well as Treasury Inflation-Protected Securities (TIPS) for which the principal is adjusted periodically to reflect changes in the Consumer Price Index. Since interest is paid on the adjusted principal, the semiannual payments may fluctuate. At maturity the investor receives either the higher adjusted principal or the face value.

**Non-U.S. Cash and Bonds:** These products are mainly denominated in a local “non-U.S. dollar” currency and will fluctuate when valued in U.S. dollar terms. Cash of a foreign country or securities of non-U.S. issuers may have additional risks, including government interference, differing accounting standards and tax laws, political and social unrest, economic instability, regulatory changes, currency exchange rate fluctuation, currency controls, and lack of comparable and timely information. Foreign currency cash balances held at Raymond James are not covered by SIPC or any additional insurance, and may earn 0% or incur negative interest rates.

#### **Costs and Fees Paid by Clients**

**Identify whether your transaction occurs in the new issue (primary) or secondary market:** Like other investments, fixed income securities purchased as new issues take place in the primary market and most bonds bought or sold after the issue date occur in over-the-counter secondary markets, which do not generally publish closing prices. Two websites offer information about the prices of transactions in specific bonds including trade history as well as additional market data, offering disclosure documents and education material. For municipal bonds, please visit EMMA at [emma.msrb.org/](http://emma.msrb.org/). For other bonds and fixed income securities, please visit [bondfacts.finra.org/](http://bondfacts.finra.org/).

- **Primary Market:** Details of costs and fees incurred in new issue purchases are disclosed on trade confirmations and in the applicable offering documents.
- **Secondary Market:** The price paid by you (and by extension, the amount received by us and your financial advisor) may be increased or decreased by a markup or markdown, respectively. Markups and markdowns are based on the prevailing market price at the time of trade and represent compensation paid to the advisor and us. In addition to any markup or markdown, you should

expect that we will realize a trading profit or loss on a secondary market transaction.

A processing/handling fee, as described in *Section III—Compensation, Costs, and Fees*, is charged for each buy or sell for all fixed income products, *except* for brokered CDs, which have no processing/handling fee.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

Primary Market: Compensation from the issuer on sales of new issue fixed income securities is generally embedded in the initial offering price through a sales concession or placement fee paid to your financial advisor and us, and a portion of an underwriting fee if we are the underwriter on a municipal or other fixed income security issuance, as disclosed more fully in the applicable offering documents.

#### Secondary Market:

- Your purchase or sale of a fixed income security in the secondary market executed on a principal basis may include a markup or markdown paid to your advisor and us. The price paid or received may also result in a trading profit or loss to us.
- Your purchase or sale of a fixed income security in the secondary market executed in a riskless principal or agency capacity may include a commission paid to your advisor and us. The price paid or received may also result in a trading profit or loss to a firm other than us.

#### **Raymond James Compensation**

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Other Potential Conflicts of Interest**

We may receive additional volume compensation on some new issue transactions. However, we do not receive an additional volume-based concession on syndicate issues purchased through fee-based advisory accounts, except in limited circumstances on an agency basis if permitted by the underwriting or selling group.

### **Additional Information**

Before investing in any fixed income investment, we encourage you to read the relevant offering documents, which are available from the issuer and your financial advisor.

Trade confirmations should also be carefully reviewed and will disclose additional information regarding the capacity in

which we are acting and information regarding compensation.

Fixed income products are available for purchase as a standalone investment; however, they may also be available as a part of other products, such as a Unit Investment Trust, or as part of a separately managed account, which offers different risks, benefits, and potentially different costs and fees. These costs and fees could be more or less than those paid by purchasing the product individually.

### **UNIT INVESTMENT TRUSTS (UITs)**

#### **Product Description**

A UIT is an investment vehicle comprised of a fully invested fixed portfolio of professionally selected securities. Investors purchase units that represent an undivided ownership in the entire portfolio. Unlike mutual funds, which continually buy and sell securities, a UIT portfolio is generally fixed at the date of deposit, so the investor knows exactly what securities are in the portfolio, when the trust is scheduled to mature (i.e., terminate), and, in the case of bond UITs, the estimated income stream the trust is expected to generate for their proportionate interest in the trust. Most portfolios are designed to have a pre-established time frame of usually 12 months to 5.5 years, although some of the fixed income portfolios may be longer. The portfolio is static, or fixed, for the duration of the investment, is valued daily, and can be liquidated each day at net asset value less deferred charges, if any. Liquidity is provided through the trustee of the trust or in the secondary market.

Additional information about UITs is available at:

[www.raymondjames.com/UITdisclosures](http://www.raymondjames.com/UITdisclosures).

### **Common Types of UITs Offered at Raymond James**

#### **Equity UITs**

Strategy portfolios: Seek to outperform a benchmark, such as a specific widely held index, using fundamental screens that reflect the historical behavior of the securities.

Income portfolios: Typically seek to provide dividend income and may also provide potential capital appreciation.

Asset allocation portfolios: Invest in different asset classes, styles, and capitalizations, and are designed to meet specific investment objectives to help better manage investors' asset allocation needs.

Sector Portfolios: Invest in companies involved in a specific industry such as energy, health care, financial services, or technology.

**Hybrid Portfolios:** Invest in various underlying holdings, including equities, closed-end funds, and Exchange Traded Funds (ETFs). Many UITs will combine multiple securities within the same portfolio to gain exposure to different areas of the market.

**Research-based Portfolios:** Invests in companies identified by our Equity Research analysts as part of an overall equity research list or published research theme created by our Equity Investment Products Group.

#### **Buffered UITs:**

Buffered UITs are a type of "Non-Traditional" UIT that employ the use of derivatives contracts to provide a predetermined range of return outcomes based on the price performance of an underlying market at the trust termination.

#### **Fixed Income UITs**

**Tax-Free Fixed Income:** Invests in a pool of bonds that provide monthly or semiannual income exempt from federal income taxes, and in some cases, state income taxes.

**Taxable Fixed Income:** Invests in a pool of bonds that may include taxable municipal issues, corporate issues, or agency issues that provide monthly or semiannual income.

#### **Features and Characteristics**

**Greater Diversification:** Since a UIT portfolio represents pro-rata ownership in a pool of securities, it provides a higher level of diversification than an investment in a single security; however, diversification does not ensure profit or protect against loss.

**Daily Liquidity:** A UIT can be redeemed daily at net asset value, which may be more or less than the original purchase price.

**Rebalancing Opportunities:** When the portfolio terminates, investors have the option to reinvest their proceeds into a new, rebalanced portfolio. Rebalancing may cause a taxable event unless units of the portfolio are purchased in an IRA or other qualified plan, and rebalancing does not ensure profit or protect against loss.

**Discipline:** Unlike actively managed funds, the securities in the UIT remain fixed over the life of the investment.

**No Manager-Driven Style Drift:** Because a UIT is clearly defined and not actively managed, there will be no style drift as a result of manager-driven trading.

**Capital Gains:** In the case of equity-related securities held in the UIT, there are no embedded capital gains. Capital gains taxes are only paid if there is a profit at the time of UIT termination or liquidation.

#### **Risks**

- Upon termination there is no assurance the value of the UIT will be equal to or higher than the original price.
- There is no assurance that an individual UIT portfolio will meet its objective. UITs are not actively managed, and underlying securities will not be sold to take advantage of market conditions.
- UITs are not bank deposits and are not insured or guaranteed by the FDIC or any other government agency.
- While the investor has the flexibility to redeem their units at any time, exiting the trust early will affect the unit holder's investment outcome, since the UIT is meant to be held until termination, and, with respect to Buffered UITs, the value of the options is intended to approximate the intrinsic value only at expiration. In addition, depending on what happens in the market overnight, the trust may receive a better or worse price than what was quoted to the redeeming unit holder, which will result in a profit or loss for the trust. This may affect the returns to the remaining unit holders at the termination of the trust.
- Buffered UITs invest directly in flexible exchange options, which may be less liquid than standard listed options, and can only be exercised at maturity. Illiquidity of the underlying holdings may adversely impact the value of the UIT.
- UITs carry additional risks. Please see the applicable prospectus for additional risks related to UITs.

#### **Costs and Fees Paid by Clients**

All fees related to UITs, including estimates of ongoing operating expenses and organizational costs, are listed in the "Fee Table" of the trust's prospectus.

**Sales Charge:** Sales charges for UITs vary based on the maturity of the trust (or the maturity of the underlying bonds if the trust invests in individual bonds). The sales charge is paid over a time period that is set forth in the applicable prospectus, and can include an initial and deferred sales charge (from which a commission is paid to us and your financial advisor) and a creation and development fee (which compensates the sponsor for creating and developing the trust and from which a licensing fee may be paid to us). If a client sells or redeems an interest in a UIT prior to the trust

maturing, any outstanding sales charges will be deducted from the amount the client receives related to such sale.

UITs may also be available for purchase through select fee-based or advisory accounts offered by us. Instead of paying the initial (if applicable) and deferred sales charges, clients in wrap fee-based accounts pay a fee that is billed quarterly and based on a percentage of the total value of the account's eligible securities. Wrap fee-based clients will still pay any C&D fee and any operational expenses incurred by the trust.

**Organizational Charge:** Estimated costs of organizing and structuring the UIT.

**Annual Operating Expenses:** Includes annual operating expenses such as portfolio supervision, bookkeeping, administrative and evaluations fees, and any trustee fees.

**Processing/Handling Fee** (as described in *Section III—Compensation, Costs, and Fees*) for each buy, but not each sell.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

- A portion of the sales charge as a commission on the purchase of a UIT. (We do not receive a commission on the redemption of a UIT.)
- If a UIT is sold prior to its termination date, you may be credited a portion of the commission previously paid to the financial advisor.

#### **Raymond James Compensation**

**Volume or Dealer Concession:** Volume or dealer concessions are an additional concession received and are based on total assets purchased from the UIT sponsor over a given period of time, as more fully described in the relevant prospectus. Volume concessions are only earned on UIT units subject to a transactional sales charge.

**Licensing Fee:** Sponsors of UITs may pay to us a fee to license our intellectual property, including our indices, research, and trademarks. Raymond James will not receive this licensing fee on UIT units purchased in any accounts held at Raymond James that are subject to ERISA or that are discretionary retirement advisory accounts.

**Sub-Supervisory Fee:** Sponsors of UITs may pay to us a sub-supervisory fee from trust expenses for certain research services related to the licensing of our intellectual property. Such fee is not an advisory or sub-advisory fee, and will not be received by us on UIT units purchased in any accounts

held at Raymond James that are subject to ERISA or that are discretionary retirement advisory accounts.

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Product Limitations**

We make available UITs from the following five sponsors: First Trust Portfolios LP, Guggenheim Funds Distributors, Inc., Invesco, Advisors Asset Management, and Smart Trust.

Please refer to the *Product Limitations, Generally* subsection above.

### **Other Potential Conflicts of Interest**

If a UIT is sold prior to its termination date, the financial advisor may forfeit a portion of the commission previously received and, as a result, your financial advisor will have a conflict of interest that can incentivize the financial advisor to not recommend the sale of the UIT prior to its termination date.

UITs are available for purchase as a standalone investment; however, they may also be available as a part of other products, such as part of a separately managed account, which offer different risks, benefits, and potentially different costs and fees, which could be less than those paid by purchasing the product individually.

### **Additional Information**

Before investing in any UIT, we encourage you to read the relevant prospectus, which is available from the issuer and your financial advisor. UITs that you purchase from third-party sponsors can be based on selection criteria provided by us in the form of our intellectual property, including, but not limited to, our indices, research, and trademarks.

**UITs vs Equity-Linked Notes:** There are a variety of ways to invest in the market and many products offer the same or similar strategies and investments, but are structured or packaged in different ways. One example is an equity-linked note ("ELN"), which is described in greater detail in a subsequent section and which shares many characteristics with a UIT, but has some important differences. Both products are suitable options for investors seeking exposure to the performance of one or more specific segments of the markets and both products are sold for a certain window of time for a fixed price and are designed to be held to maturity. Neither product is actively managed and investments held in a UIT and the formulas upon which the performance of ELNs are based are fixed for the term of the products. UITs hold a



professionally selected basket of individual securities, whereas ELNs are debt obligations of banks that will pay a return based on a predetermined formula applied to the performance of a defined list of securities and/or one or more indices, subject to the creditworthiness of the issuer. There are other relevant factors to consider when choosing an investment, such as liquidity and specific product costs. You should speak with your financial advisor about which options may be best for you.

## **MUTUAL FUNDS**

### ***Product Description***

A mutual fund is a collection of securities owned by a group of investors and managed by a professional investment adviser. A mutual fund pools investors' money to invest in a specific asset class or classes by investing in individual, or a combination of several, underlying securities including, but not limited to, stocks, bonds, money market funds, options, and currencies. Most mutual funds have a particular objective such as immediate income, income and growth, or long-term growth.

Additional information is available at:  
[www.raymondjames.com/mutualfunddisclosures](http://www.raymondjames.com/mutualfunddisclosures).

### ***Features and Characteristics***

- Professional management.
- Potential diversification.
- Daily pricing and redemption.
- Low minimum investment amounts.
- Generally lower management-related expenses when compared to other forms of professionally advised investments.

### ***Risks***

- May lose value based upon market movements in individual securities within the portfolio.
- Concentration within a particular asset class, security type, industry sector, or geographic region.
- Illiquidity of underlying investments within a mutual fund.
- Offshore mutual funds are not registered on any U.S. exchange, so there may be limited information regarding the risks and tax consequences.
- Underlying investments may carry additional risks. Please see the applicable prospectus and the relevant sections of this document, such as the descriptions of fixed income or equities, for additional risks related to underlying securities.

### ***Costs and Fees Paid by Clients***

Costs and fees vary between mutual fund products—it is imperative that you review the relevant mutual fund prospectus for a detailed description of charges you will incur.

#### **Ongoing Costs**

- Management and operational fees.
- “12b-1” or “Shareholder Servicing” fees.

#### **Sales Charges**

A Shares: Front-end sales charge/commission based on initial investment, which may be discounted for numerous reasons, including larger investments, subsequent investments, or investments in other mutual funds within the same family.

B Shares: Back-end sales charges/commission assessed on an annual basis, based on initial investment, and potentially additional charges, known as a Contingent Deferred Sales Charge (CDSC), if sold in a short period of time. After a holding period, B shares usually convert to A shares. New purchases of B shares are generally not permitted.

C Shares: Annual sales fee/commission charged over life of investment, based on initial investment amount. Frequently impose a CDSC if you sell within a short period, usually one year. Many C shares convert to A shares after a period of time, at which point the annual charges end. Conversion occurs within the period of time specified by the fund company's policy or our policy, whichever is shorter.

Other Share Classes: Some shareholders may qualify to invest in share classes that are intended for specific types of investors, such as retirement plans. Additionally, share classes meant for fee-based or advisory account types can take a number of forms, such as Institutional or P shares, and do not generally contain sales loads or 12b-1 fees.

#### **Reducing Sales Charges**

Breakpoints: Fund families often offer discounts on the sales charges for Class A shares based on the total amount you have invested with the fund family. Such discounts could significantly reduce, and in some cases eliminate, the sales charge that clients pay. The level at which you qualify for the discount is the “breakpoint.”

“Rights of Accumulation”: These allow you to combine your existing investments in a fund family with your new purchases to reach a breakpoint.



**Letters of Intent:** You can take advantage of rights of accumulation from the time you make your initial share purchase by agreeing to invest a certain dollar amount over a specified period of time. However, if the amount stated for investment in the letter of intent is not invested, the mutual fund can retroactively charge you the higher sales charge amount.

**Net Asset Value (“NAV”) Transfers and Buybacks:** After you redeem your fund shares, some fund families will allow you to “buy back” into certain funds within a certain time frame without a sales charge for Class A shares.

**Switches:** If you select funds that are part of a family of funds and purchase Class A shares in a commission-based account, then you can switch among the funds in the family without incurring additional sales charges.

Other discounts and fee waivers may apply based on certain criteria—please refer to the applicable prospectus or the mutual fund’s statement of additional information.

### **Redemption Fees**

Mutual funds are generally part of a longer-term investment strategy, and some mutual fund companies will impose a redemption fee (also called an exit fee, a market-timing fee, or a short-term trading fee) if shares are sold within a certain time period, as outlined in the prospectus.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

- Portion of the commission/sales charge, which varies in amount by fund.
- Portion of 12b-1 or shareholder servicing fees, which vary in amount by fund.

#### **Raymond James Compensation**

- Payments from certain mutual fund companies for education and marketing support services (sometimes referred to as revenue sharing). For a list of fund companies that have agreed to participate in our education and marketing support program, please visit: [www.raymondjames.com/mutualfundrevshare](http://www.raymondjames.com/mutualfundrevshare).
- Payments from mutual fund companies for sub-accounting, recordkeeping, and related services (also known as “Sub-TA Fees”).
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Product Limitations**

Funds available for purchase through us are generally limited to fund companies that provide us with the compensation described above, with a few exceptions, and that have been positively evaluated through the due diligence process. Thus, not all mutual funds available to the investing public will be available to you through Raymond James, including funds with lower fees and expenses.

We do not make available all share classes offered by a fund company that a client might otherwise be eligible to purchase. We generally make available share classes that pay us Sub-TA Fees at the individual account level. This means that lower cost share classes might not be available to you through Raymond James, even though you might otherwise be eligible to purchase those lower share classes elsewhere.

Please refer to the *Product Limitations, Generally* subsection above.

### **Other Potential Conflicts of Interest**

Because Carillon Tower Advisers, Inc., and its subsidiaries (“CTA”) are affiliates, we receive additional revenue from the sale of funds in the Carillon Family of Mutual Funds (specifically, CTA’s management-related fees and expenses). However, financial advisors do not receive additional compensation or incentives for recommending a fund in the Carillon Family of Mutual Funds.

### **Additional Information**

**Prospectus:** Before investing in any mutual fund, we encourage you to read the relevant prospectus, which is available from the fund company and your financial advisor, and to review the investment manager’s experience, qualifications, tenure, and track record.

**Mutual Funds vs ETFs:** There are a variety of ways to invest in the market and many products offer the same or similar strategies and investments, but are structured or packaged in different ways. One example is exchange traded funds (“ETFs”), which share many characteristics with mutual funds, but have some important differences. Both are suitable options if you are looking for low minimum investment amounts. ETFs offer slightly more price variation—you can buy or sell as the price changes throughout the day, whereas mutual fund prices are held constant for an entire day. Mutual funds generally have more active management, whereas ETFs are generally passive and designed to track the market index. There are other relevant factors to consider when choosing an investment, such as liquidity and specific product costs. You should speak with

your financial advisor about which options may be best for you.

**No FDIC Insurance:** While money market mutual funds are often considered cash alternatives and are traditionally lower risk products, they are not insured by the FDIC. If cash was held at a registered bank entity, you could receive the additional protection of FDIC insurance.

## CLOSED-END FUNDS

### *Product Description*

Closed-end funds (CEFs) are publicly traded investment vehicles that are actively managed by investment advisers. CEFs have many characteristics that are similar to other pooled investment products, but also have several unique structural differences that should be understood before purchasing shares of a CEF. Shares of CEFs are offered through an initial public offering (IPO), after which they are traded on a stock exchange, similar to equities. The number of shares traded after an IPO are then fixed and the fund is “closed” to additional investment. Similar to open-end mutual funds, each closed-end fund has a net asset value (NAV) which is calculated as net assets of the fund divided by shares outstanding. Unique to closed-end funds, however, buyers and sellers interact throughout the day in an exchange, providing intraday liquidity. As a result of trading in the secondary market, CEFs will have both a market price and a net asset value (NAV). The market price of the fund will then fluctuate based on supply and demand and the value of the underlying securities, which will often lead to a disconnect between price and NAV. This imbalance is what is described as a premium (when a fund’s market price is above its NAV) or a discount (when a fund’s market price is below its NAV). This is one of the characteristics that differentiate CEFs from their open-end mutual fund counterparts.

Additional information is available at:  
[www.raymondjames.com/closedendfunds](http://www.raymondjames.com/closedendfunds).

### *Features and Characteristics*

- Professional management.
- No minimum investment restrictions or minimum holding periods on purchases.
- Potential intraday liquidity.
- Typically have lower fees than standard open-end mutual funds.

### *Risks*

- Investor sentiment for a particular portfolio manager, fund sponsor, sector, or investment style of a CEF all

interact to push the price of a fund to a discount or premium.

- Potential illiquidity of shares since shares cannot be purchased or sold directly through the fund company; liquidity is subject to the fund’s trading volume in the market.
- CEFs typically trade at a premium to NAV immediately after their IPO.
- Many CEFs utilize lower-quality securities with leverage to enhance yield, which can generate principal losses, particularly in periods of rising interest rates.

### *Costs and Fees Paid by Clients*

Management and operational fees, as more fully described in the applicable prospectus. This includes the cost of borrowing if applicable.

### *Compensation*

#### **Raymond James & Financial Advisor Compensation**

Commissions on purchases and sales.

#### **Raymond James Compensation**

- Underwriting compensation when we participate in a public offering of CEF shares.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### *Product Limitations*

Please refer to the *Product Limitations, Generally* subsection above.

### *Other Potential Conflicts of Interest*

Our affiliate receives compensation from the management of the Eagle Growth and Income Opportunities Fund (ticker symbol: EGIF).

### *Additional Information*

Closed-end funds come in many varieties. They can have different investment objectives, strategies, and investment portfolios. They also can be subject to different risks, volatility, and fees and expenses. Before investing in any CEF, we encourage you to read the relevant prospectus and the CEF’s most recent shareholder report, which is available from the fund company and your financial advisor.

CEFs differ in many respects from mutual funds (also known as open-end funds). Both generally benefit from active professional management, diversification, and defined investment objectives; however, mutual funds issue and repurchase shares directly with the fund sponsor, as needed. Mutual fund shares are issued or redeemed by the sponsor at

NAV, which is calculated at the end of the trading day. In contrast, CEF have a fixed number of shares that are bought and sold in an intraday market at prices determined by supply and demand. Therefore, in a mutual fund, the price an investor pays reflects the value of the underlying securities, rather than demand for the fund. Conversely, CEFs trade in the secondary market, with prices fluctuating throughout the day. CEFs do not incur the ongoing costs associated with creating and redeeming shares and typically have lower fees than standard mutual funds. There are also no minimum investment restrictions or minimum holding periods on purchases of CEF shares.

## EXCHANGE TRADED PRODUCTS

### *Product Description*

Exchange Traded Products (“ETPs”) are investment products that are listed on a national stock exchange and can be bought and sold in the equity trading markets. ETPs encompass a number of structures that track an underlying benchmark, index, or portfolio of securities and commodities. ETPs may be structured as registered unit investment trusts (“UITs”), exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), grantor trusts, or commodity pools.

The majority of ETPs are structured as UITs or ETFs whose shares represent an interest in a portfolio of securities that either track an underlying benchmark or index. In order to achieve their objectives, ETPs generally either (a) directly invest in assets such as stocks, bonds, currencies, or commodities that underlie the benchmark, or (b) utilize a representative sampling strategy that attempts to achieve a similar performance to the benchmark without investing in all of the underlying securities of the benchmark. Further description of each ETP’s underlying portfolio is available in the respective ETP’s prospectus.

Additional information regarding UITs is contained in a separate section above.

A number of ETPs employ, to varying degrees, more sophisticated financial strategies and instruments such as leverage, futures, swaps, and derivatives, and short selling, in order to achieve their investment objectives (“Alternative ETPs”). Alternative ETPs are more complex than traditional ETPs and may not be appropriate for all investors. These may include some ETNs, leveraged or inverse ETPs, some actively managed ETPs, currency ETPs, commodity ETPs, target return ETPs, volatility ETPs, and other products.

Additional information is available at:  
[www.raymondjames.com/ETPs](http://www.raymondjames.com/ETPs).

### *Types of ETPs Offered at Raymond James*

**Passive or Non-Managed ETPs:** These products seek to replicate the performance of an index or benchmark that they track.

**Leveraged and Inverse ETPs:** Two types of passive or non-managed ETPs are leveraged ETPs and inverse ETPs. Leveraged ETPs seek to deliver multiples of the performance of the index or benchmark they track, whereas inverse ETPs seek to deliver the opposite of the performance of the index or benchmark they track. Most leveraged and inverse ETPs “reset” daily, meaning that they are designed to achieve their stated objective on a daily basis, and are therefore highly subject to volatility risk.

**Actively Managed ETPs:** These products do not seek to replicate the performance of a specified passive index of securities. Instead, they use an active investment strategy to attempt to meet their investment objective. An investor’s decision to invest in actively managed ETPs would usually be based on their assessment as to whether the ETP investment manager can select securities that will lead to outperformance versus the benchmark, net of the ETPs fees, over a given market cycle or longer period of time.

**Currency ETPs:** Currency ETPs may track a particular currency or a basket of different currencies relative to the U.S. dollar, or even against the other currencies.

**Commodity ETPs:** The majority of commodity ETPs track a commodity, basket of commodities, or commodity index through the use of derivatives such as futures contracts.

**Volatility ETPs:** Some Alternative ETPs may use a volatility component as a part of their overall strategy, while other Alternative ETPs may identify exposure to volatility as a primary investment objective. Furthermore, some products may seek inverse, leveraged, or leveraged inverse exposure to the CBOE Volatility Index (VIX). Volatility ETPs are not based on, nor do they track, the returns of the VIX, and thus the performance of a volatility ETP will not actually mimic the performance of the VIX.

**Target Return ETPs:** Target Return ETPs are a type of Alternative ETP that employ the use of derivatives contracts to provide predetermined return outcomes based on the price performance of an underlying market over specific timeframes, known as “Outcome Periods”. Outcome Periods, which vary by product, are point-to-point periods, over which performance of the underlying market is measured, and the product’s upside participation and downside protection features, if any, are applied to achieve the ETP’s stated return objective.

**Exchange-Traded Notes (“ETNs”):** A common name for a senior, unsecured debt obligation designed to track the total return of an underlying market index or other benchmark, minus investor fees. The repayment of the principal, interest (if any), and any returns at maturity or upon redemption are dependent on that issuer’s ability to pay. Thus, the issuer’s potential to default is an important consideration for ETN investors.

**Exchange Traded Funds (“ETFs”):** These products are typically managed by an investment company whose primary objective is to achieve the same or similar return as a particular market index. ETFs are similar to index funds in that they are primarily invested in the securities of companies that are included in a particular market index. ETFs can be invested either in all of the securities or in a representative sample of the securities included in the index. ETFs may be bought or sold throughout the day on the secondary market, but are generally not redeemable by non-institutional investors for the underlying basket of securities they track. ETFs are more appropriate for those willing to achieve market-like returns, with lower management fees and operating expenses, but with little potential to outperform the respective indexes the funds track.

**Research-based ETPs:** These products may be any of the ETP types described above. Such product invests in companies identified by our Equity Research analysts as part of an overall equity research list or published research theme created by our Equity Investment Products Group. Additionally, in some cases, RJA’s Asset Management Services (AMS) group will develop and manage models based on RJA’s equity research. Such models may be sold to third-party managers who will have discretion over the investment selection and with whom RJA has entered into a subadvisory agreement. The models will also be available through Raymond James advisory programs.

### *Features and Characteristics*

- Professional management.
- Low minimum investment amounts.
- Generally lower management-related expenses than mutual funds.

### *Risks*

- If you hold leveraged or inverse ETPs for long periods of time, their performance can diverge significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period. This could lead to increased levels of risk, including without limitation, market risk, volatility risk, liquidity risk, and positive and negative compounding risk. This effect can be magnified in volatile markets, and thus these products are primarily appropriate for short-term trading strategies.
- For Target Return ETPs to achieve the stated return objective, if at all, shares must be held for the entirety of the Outcome Period. Purchases after the Outcome Period has begun, and/or sales prior to the conclusion of the Outcome Period, may result in return outcomes that are significantly worse than the Target Return ETP’s stated objective, including, but not limited to, a complete loss of any downside protection and/or little to no ability to participate in future gains of the underlying market. Even when held for the full Outcome Period, there is no guarantee that the Target Return ETP will achieve its stated return objective. Target Return ETPs invest directly in flexible exchange options, which may be less liquid than standard listed options, and can only be exercised at maturity. Illiquidity of the underlying holdings may adversely impact the value of the Target Return ETP. Performance of Target Return ETPs will not always correspond directly to the price performance of the intended underlying market.
- The value of a Currency ETP can be affected by changes in the value of the underlying currencies, which in turn can be influenced by a variety of factor such as economic conditions, policy events, and central bank policies. Currency ETPs that invest in foreign currencies are exposed to risks associated with foreign investment, including political and economic risks, currency exchange restrictions, and changes to foreign exchange rates. Fluctuations in currency values can result in significant losses to investors.
- Commodity ETPs may be subject to greater volatility than traditional ETPs and can be affected by increased volatility of commodities prices or indexes as well as

changes in supply-and-demand relationships, interest rates, monetary and other governmental policies, or factors affecting a particular sector or commodity. ETPs that track a single commodity may exhibit even greater volatility.

- The performance of Commodity ETPs can deviate significantly from the performance of the referenced commodity or commodity index, especially over longer periods. Contango is a specific futures market condition that can contribute to the divergence from a commodity's spot price performance exhibited by certain commodity futures-linked ETPs. This negative roll yield may lead a systematic erosion of the ETP's value over time.
- Actively managed ETPs typically charge higher fees than ETPs that passively track an index.
- For ETNs, the repayment of principal, interest (if any), and any returns at maturity or upon redemption are dependent on that issuer's ability to pay. Thus, the issuer's potential to default is a risk. Furthermore, if the issuer's credit rating is downgraded, the trading price of an ETN in the secondary market may be adversely impacted.
- Certain ETFs may be classified as partnerships for U.S. federal income tax purposes. This may result in unique tax treatment, including Schedule K-1 reporting.
- The buying and selling of contracts in the futures market, which could result in losses, could adversely affect the value of the index underlying your ETPs and, accordingly, decrease the value of your investment.
- Risks associated with municipal bond ETPs may include, without limitation, unmanaged investments, financial condition of the underlying issuers, limited diversification, market fluctuations, and illiquidity of the underlying securities.
- The ability of ETP issuers to perpetually create new shares contributes to ETPs efficiently and accurately tracking their respective indices. However, under certain circumstances, issuers may cease or suspend creating new shares, which may cause ETPs to trade at a price that differs significantly from the value of its underlying holdings or index. Furthermore, all ETPs may trade at a premium or discount to their NAV (or indicative value in the case of ETNs).
- Some ETPs may have low trading volumes, which could adversely impact your ability to buy or sell shares at the desired price and quantity.
- ETPs can be liquidated for a variety of reasons, which can cause forced taxable events for investors, including capital gains distributions. Furthermore, there can be

closing costs associated with the final liquidation of the ETP as well as index tracking uncertainty as the ETP liquidates its assets.

#### **Costs and Fees Paid by Clients**

- Management and operational fees, as described in the prospectus.

#### **Compensation**

##### **Raymond James & Financial Advisor Compensation**

- Commissions.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

##### **Raymond James Compensation**

- Payments from certain ETP companies for education and marketing support services (sometimes referred to as revenue sharing). For a list of fund companies that have agreed to participate in our education and marketing support program, please visit: [www.raymondjames.com/ETPrevshare](http://www.raymondjames.com/ETPrevshare).
- Licensing Fee: Issuers may pay to us a fee to license our intellectual property, including our indices, research, and trademarks.
- Administrative Fees: payments from certain ETP companies for administrative services associated with onboarding and maintaining the ETP companies on the platform.
- Subadvisory Fee: Raymond James may be compensated by third-party managers for acting as subadvisor for Research-based ETPs as described above.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

#### **Product Limitations**

Certain ETPs are only available on a limited basis due to the investment strategies or underlying investments employed by the product.

Please refer to the *Product Limitations, Generally* subsection above.

#### **Other Potential Conflicts of Interest**

We receive additional compensation from the sale of certain ETPs. Specifically, we receive an index licensing fee related to the Invesco Raymond James SB-1 Equity ETF (ticker symbol: RYJ) and can receive licensing fees related to other ETPs that are based on our intellectual property, including our indices, research, and trademarks. Additionally, Raymond James will



receive additional compensation from the sale of certain ETPs where the firm acts as subadviser.

### **Additional Information**

Before investing in any ETP, we encourage you to read the relevant prospectus, which is available from your financial advisor. ETPs that you purchase from third-party issuers can be based on research provided by our equity research department.

## **ALTERNATIVE INVESTMENTS**

### **Product Description**

Alternative investments are securities products that serve as alternatives to more traditional investment asset classes and may include investment products such as hedge funds, private equity funds, and private real estate funds. Through our financial advisors, we offer eligible clients a wide range of alternative investments.

### **Features and Characteristics**

- Diversification.
- Access to managers not generally available to individual investors.
- Limited liquidity.
- Tax reporting considerations (some investments produce Form 1099s, while others produce Schedule K-1s).
- Long-term strategies.

### **Risks**

- Alternative investments involve substantial risks that may be greater than those associated with traditional investments and are not suitable for all investors. They may only be offered to clients who meet specific suitability requirements, including minimum net-worth tests.
- Risks include, but are not limited to, limited liquidity, tax considerations, incentive fee structures, potentially speculative investment products, and different regulatory and reporting requirements.
- Alternative investments often have higher management fees than more traditional investments such as mutual funds.

### **Costs and Fees Paid by Clients**

Fees and expenses related to alternative investments are often higher than those of more traditional investments. Each investment will differ in the types and calculation methodologies of fees and expenses, but the following are the primary categories of fees and expenses that are

common to many alternative investments. You should review the offering documents carefully for a complete listing and description of all fees and expenses associated with a particular investment.

**Management Fees:** The fund manager for any particular investment will often charge a management fee that is based on the total value of your investment.

**Incentive-Based Compensation:** Many alternative investment managers receive incentive-based compensation (also known as incentive fees or carried interest) in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of the investment's profits generated for clients.

**Upfront or Ongoing Servicing Fees or Placement Fees:** Many alternative investments have upfront costs and ongoing fees, generally based on the total amount of your investment, directly related to compensating your financial advisor and us, as described in the offering documents. You can expect that the total level of compensation received by us will be related to the total client capital placed with a particular manager or investment. Some of the upfront fees can be discounted at the discretion of your financial advisor or by meeting certain volume discounts.

**Redemption Fees:** Some investments have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors. Redemption fees assessed by a manager are more fully described in the offering documents, as applicable.

**Other Expenses:** Alternative investment strategies may be accessed through a variety of legal structures, including mutual funds, limited partnerships, and limited liability companies. Investors may incur organizational and offering expenses that are related to the creation of the legal structure and marketing of the investment. These costs ultimately serve to decrease the amount of capital that is available to invest. Additionally, investors may incur other expenses that result based on the investment activity of the fund. For example, in a real estate fund, investors may be charged for expenses related to the acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Generally, investors in alternative investment funds will also bear the cost of certain ongoing expenses related to administration of the investment. These expenses may



include costs related to tax document preparation, auditing services, or custodial services.

**Manager Fees & Expenses:** Alternative investment managers may charge investors other fees and expenses. You should review the offering documents carefully for a complete listing and description of all fees and expenses associated with a particular investment.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

Management Fees: A portion of management fees to which the investment's investment manager is entitled. The portion of management fees we receive can be up to 100% of the management fee collected by an investment manager and may remain at that percentage for a specified period of time based on the level of sales or indefinitely depending on when the assets were placed.

Incentive-Based Compensation: A portion of incentive-based compensation to which the investment's investment manager is entitled. The portion of incentive fees we receive can be up to 100% of the incentive fee collected by an investment manager.

Upfront or Ongoing Servicing Fees or Placement Fees: A portion of the upfront and ongoing servicing fees referenced in the immediately preceding section on costs and fees.

Marketing and Education Support: Please refer to the description of *Non-Cash Compensation* in *Section III—Compensation, Costs, and Fees*.

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

Supplemental information is available at: [www.raymondjames.com/alt disclosures](http://www.raymondjames.com/alt disclosures).

### **Product Limitations**

Alternative investments are only available to certain investors, based on the type of investment and the required qualifications for investors. Alternative investments available for purchase through us are generally limited to issuers that provide us with the compensation described above, with a few exceptions, and that have been positively evaluated through the due diligence process. Thus, not all alternative investments available to the investing public will be available to you through Raymond James, including investments with lower fees and expenses, and potentially higher returns.

Please refer to the *Product Limitations, Generally* subsection above.

### **Other Potential Conflicts of Interest**

We make available to clients certain alternative investments created by issuers that are advised by our affiliates or for which we serve as a general partner. You should expect that we will receive more revenue for selling these alternative investments because we (or our affiliate) receive compensation for providing these issuers with investment advisory, administrative, transfer agency, distribution, or other services that we may not provide to other issuers of alternative investments.

### **Additional Information**

Before investing in any alternative investment, we encourage you to read the relevant prospectus or offering document, which is available from your financial advisor.

## **STRUCTURED INVESTMENTS**

### **Market-Linked Notes and Market-Linked CDs**

#### **Product Description**

Also commonly known as Market-Linked Investments, a structured investment starts with an ordinary investment like a stock, an exchange-traded fund (ETF), or a market index, commonly referred to as the "underlier." The structured investment is designed (or "structured") around the underlier, linking its performance to the underlier in some manner. Structured investments are distinct in that they come in a wide variety, each with unique terms and conditions designed to achieve specific investment outcomes. Some offer greater protection against loss with moderate or limited growth potential, while others possess greater growth potential but come with less downside protection. Others offer the potential to pay attractive periodic coupons, dependent on the underlier's performance.

Structured investments are available in two distinct forms: market-linked certificates of deposit (MLCDs) and market-linked notes (MLNs).

#### **Common Investment Objectives of Structured Investments**

Risk-Managed Growth: Investors often want to see growth in their portfolio, but many wish to reduce their risk in achieving that growth. Structured investments provide a wide array of methods to participate in the performance of the underlier, often dependent on the amount of protection being offered.

**Enhanced Income:** For investors seeking enhanced income from their portfolio, structured investments can offer attractive coupon payments based on the performance of the underlier. The level of potential income depends on the underlier and level of protection provided by the terms of the investment.

**Capital Preservation:** MLCDs are designed to participate in some portion of the potential growth of the underlier. When held to maturity, MLCDs offer protection against possible declines in the underlier and are insured by the FDIC. By investing in an MLCD, an investor forgoes the fixed payment of a traditional CD in exchange for the potential to earn a higher return based on the performance of the underlier. Certain MLNs may also offer capital preservation, subject to the credit risk of the issuer.

### **Risks**

All investments possess risks that should be considered prior to investing. While each individual structured investment possesses unique risks, general considerations include:

**Creditworthiness of the Issuer:** While MLCDs are fully principal-protected (when held to maturity) and FDIC insured, MLNs are backed by the creditworthiness of the issuing firm. Similar to traditional bonds, if an issuer were to become insolvent, you are unlikely to receive all of your investment as detailed by the investment's terms. Understanding the credit risk associated with any structured investment is important.

### **Liquidity and Statement Value:**

Structured investments are designed to be held to maturity. While a guaranteed secondary market does not exist for structured investments, issuing firms will often offer to buy back investments prior to maturity, typically at a discount. This discounted value is reflected in your account during the term of the investment and represents the amount you could expect to receive if you chose to sell prior to maturity.

**Fees:** Structured investments typically involve greater fees than investing directly in the underlier. These fees are typically stated on the front page of the investment's offering documents and should be considered when assessing the merits of any investment.

**Performance:** Even with protection features, an MLN investor can suffer a loss based on the terms and performance of the underlier. Understanding trade-offs and scenarios where the structured investment outperforms or underperforms the underlier is important when setting performance

expectations. For instance, dividend payments on underliers are typically not captured by structured investments.

**Complexity:** Structured investments are often less familiar than traditional investments. Therefore, before deciding whether structured investments are right for you, review the terms and conditions outlined in the investment's offering documents and consult your financial advisor.

### **Costs and Fees Paid by Clients**

**Commission:** You will typically pay a commission/sales charge when you buy a structured investment within a brokerage account; no commission is paid on the sale of a structured investment.

**Structuring Fee** (i.e., costs for creation and maintenance of the product): A portion of the purchase price incurred on the purchase of a structured investment; no structuring fee is paid on the sale of a structured investment.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

- Commission.
- Raymond James Compensation**
- Structuring Fee.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*

### **Product Limitations**

Please refer to the *Product Limitations, Generally* subsection above.

### **Equity-Linked Notes**

#### **Product Description**

Equity-Linked Notes (ELNs) are similar to certain other Market-Linked Investments, starting with a basket of individual equity stocks, commonly referred to as the "underlier." However, the ELN does not contain any optionality within the structure and is designed (or "structured") to pass through the underlier performance.

### **Common Types of Equity-Linked Notes Offered at Raymond James**

**Research-Based portfolios:** Invests in companies identified by our Equity Research analysts as part of an overall equity research list or published research theme created by our Equity Investment Products Group.

**Strategy portfolios:** Seek to outperform a benchmark, such as a specific widely held index, using fundamental screens that reflect the historical behavior of the securities.

Income portfolios: Typically seek to provide dividend income and may also provide potential capital appreciation.

Sector portfolios: Invests in companies involved in a specific industry such as energy, health care, financial services, or technology.

### **Considerations of Structured Investments**

All investments contain risks that should be considered prior to investing. While each individual ELN possesses unique risks, general considerations include:

Creditworthiness of the Issuer: ELNs are backed by the creditworthiness of the issuing firm. Similar to traditional bonds, if an issuer were to become insolvent, you are unlikely to receive all of your investment as detailed by the investment's terms. Understanding the credit risk associated with any structured investment is important.

Liquidity and Statement Value: ELNs are designed to be held to maturity. While a guaranteed secondary market does not exist for ELNs, issuing firms will often offer to buy back investments prior to maturity. This indicative value of the ELN is reflected in your account during the term of the investment and represents the amount you could expect to receive if you chose to sell prior to maturity.

Fees: Structured investments may involve greater fees than investing directly in the underlier. These fees are typically stated on the front page of the investment's offering documents and should be considered when assessing the merits of any investment. Fees paid by the client may include intellectual property licensing and other expenses incurred by issuers.

Performance: An ELN investor can suffer a loss based on the terms and performance of the underlier. While the ELN will pass through the performance of the underlier, there is no guarantee of that performance. Additionally, dividend payments on underliers are not received at the same time as received by holders of the underlier directly. They may be paid at specific times (*i.e.*, quarterly) or upon redemption.

Complexity: ELNs are often less familiar than traditional investments. Therefore, before deciding whether ELNs are right for you, review the terms and conditions outlined in the investment's offering documents and consult your financial advisor.

### **Costs and Fees Paid by Clients**

- Commission.

- Structuring Fee: Costs of the issuer for creation and maintenance of the ELN (including any licensing fees). This covers all expenses of the ELN and, as such, there are no internal expenses for the portfolio. Please review the prospectus for a detailed listing of all fees.

### **Compensation**

#### Raymond James & Financial Advisor Compensation

- Commission.

#### Raymond James Compensation

- Licensing Fee: Issuers of ELNs may pay to us a fee to license our intellectual property, including our indices, research, and trademarks.

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Additional Information**

ELNs that you purchase from third-party issuers are often based on research provided by our equity research department.

## **ANNUITIES AND INSURANCE PRODUCTS**

### ***Product Description***

An annuity is a financial product that offers an income stream. Annuities offer tax-deferred capital accumulation coupled with various insurance options. Additional information about annuities is available at: [www.raymondjames.com/annuitydisclosures](http://www.raymondjames.com/annuitydisclosures).

### ***Common Types of Annuities Offered at Raymond James***

**Immediate Annuity:** Purchased with a single payment and distributes a specified income stream that usually begins immediately.

**Fixed Annuity:** Provides a fixed rate of return for a specified period of time and generally designed to provide guaranteed, level payments for a specified period of the annuitant's lifetime, on a tax-advantaged basis.

**Fixed Index Annuity:** This is a type of fixed annuity with its rate of return tied to a well-known index such as the S&P 500. Returns are typically capped by either a fixed amount or a specific percentage determined by the insurance company. These caps and percentages can change at the end of each term.

**Variable Annuity:** Combines the characteristics of mutual funds, the insurance features of annuity products, and the benefits of tax deferral with low investment amounts in

comparison to other products. A variable annuity may be invested in a variety of professionally managed investment sub-accounts similar to mutual funds. Insurance features, such as a minimum death benefit or single or dual lifetime income benefits, may also be available.

### **Features and Characteristics**

Varies based on insurance product. Please see above descriptions and the relevant insurance contracts for additional information.

### **Risks**

- Insurance and annuities products are not deposits or obligations of any bank or depository institution, are not guaranteed by us, are not insured by the FDIC or any other government agency, and are subject to investment risks including possible loss in value.
- Like most investment products, variable annuity contracts fluctuate in value and are subject to market risk, including the potential for loss due to market declines.

### **Costs and Fees Paid by Clients**

- Costs and fees vary between insurance products. It is imperative that you review the relevant insurance contract for a detailed description of charges you will incur.
- Riders are insurance provisions that provide benefits or modify the terms of the insurance policy. Examples include living benefit and enhanced death benefit riders for certain annuity products. These benefits have additional costs, as described in the applicable rider.

### **Ongoing Costs**

Annual fee charged by the insurance company.

### **Contingent Deferred Sales Charges**

Sometimes called a “surrender charge” or “surrender fee.” Depending on the product, and as more fully described in the applicable insurance or annuity contract, you may pay a contingent deferred sales charge if you cancel during the surrender charge period.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

Total compensation for annuity contracts (commissions and trails, as described below) is based on the contract value, which has an average seven-year contract lifecycle. Total compensation may be higher if the contract is held beyond that period.

Actual commissions received vary by insurance company, the type of product, the commission structure selected, and, in some cases, the amount of the investment.

“Trails” are paid to us to cover annuity contract servicing expenses and are derived from the ongoing costs you pay to the insurance company.

#### **Raymond James Compensation**

We receive additional compensation from insurance companies in the form of sales and asset-based education and marketing support payments, which are not paid directly from the assets of your product. Actual amounts received vary. Please see our website for a list of insurance companies that have agreed to participate in our Education and Marketing Support program: [www.raymondjames.com/annuityrevshare](http://www.raymondjames.com/annuityrevshare).

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Product Limitations**

Annuities available for purchase through us are generally limited to insurance companies that provide us with the compensation described above, with a few exceptions.

Please refer to the *Product Limitations, Generally* subsection above.

### **Other Potential Conflicts of Interest**

We are affiliated with a wholesaler for several insurance companies that issue products such as immediate, fixed, and index annuities. This affiliated wholesaler may interact not only with financial advisors, but also advisors at other broker-dealers or insurance agencies. You should expect that, in cases where this affiliated wholesaler has facilitated a sale of an annuity, we will receive compensation based on the amount invested as a fee for wholesaling and marketing services.

### **Additional Information**

Before investing in any variable annuity, we encourage you to read the relevant prospectus, which is available from the insurance company and your financial advisor. For all other insurance products, we encourage you to review the insurance contract.

Withdrawals of taxable amounts are subject to income tax and, if made prior to age 59½, may be subject to a 10% federal tax penalty.

Annual fees for annuity contracts are often higher than those associated with mutual funds that have similar objectives. That is because the company must pay for the higher commissions and insurance benefits associated with annuities. Therefore, you should compare the cost structures of both annuities and mutual funds in conjunction with your individual tax considerations before investing. If you select a variable annuity, it is a good idea to select one with a variety of investment options in order to avoid incurring a surrender charge if you change your investment objectives over time.

## OPTIONS

### *Product Description*

An option is a contract that provides you with either a right or an obligation related to an underlying security, such as a stock, index, or exchange-traded fund. There are two types of options, calls and puts, and you can buy or sell either one. Options have a strike price, also referred to as the exercise price (the price at which you exercise the option), and an expiration date.

A call option gives the holder the right to buy a security at the strike price prior to the expiration date, while a put option gives the holder the right to sell a security at the strike price prior to the expiration date. Buyers of calls believe that the market value of the security will increase substantially before the option expires, and want the right to buy the security at the lower strike price if that happens. Conversely, buyers of puts believe that the market value of the security will decrease substantially before the option expires, and want the right to sell the security at a higher strike price if that happens. Buyers of calls/puts hope to profit by exercising the option at a strike price that is lower/higher than the market value of the security (*i.e.*, when the option is “in the money”). Instead of exercising the option, the holder of the option can also sell it to “close out the contract” and receive the difference between the strike price and the market price.

Clients can also sell calls and puts. For example, a seller of puts believes that the market value of the security will not fall before the option expires. Conversely, sellers of calls believe that the market value of the security will not rise before the option expires. Sellers of puts and calls hope to maximize their profit by generating income from the premium paid to them by the buyers and having the options expire unexercised (*i.e.*, “out of the money”).

Additional information is available at: [www.raymondjames.com/options](http://www.raymondjames.com/options). Prior to transacting in options, clients must receive a copy of an options disclosure document titled “Characteristics and Risks of Standardized

Options,” which can be obtained from your financial advisor or at the following website: [theocc.com/publications/risks/riskchap1.jsp](http://theocc.com/publications/risks/riskchap1.jsp), and must complete and sign an Options Application and Agreement.

### *Features and Characteristics*

- Tool for hedging and speculation.
- Income generation—receive premiums by selling options.
- Risk mitigation—reduce exposure to downside price risk for a currently owned security.
- Targeted selling—seek sale prices by the selection of an option strike price for a currently owned security.
- Stock acquisition—target specific acquisition prices via the option strike price to purchase a security.

### *Risks*

- Complex and require a high level of attention to the trading markets.
- Speculative product that may lead to unlimited losses.
- May lose the entire amount committed to options in a relatively short period of time.
- Income generated from covered calls (a call option sold on a security owned) does not provide protection from significant downward price movement.
- A covered call writer (the person who owns the security and sold the call option on said security) gives up any appreciation above the strike price.
- The sale of shares due to assignment may result in a taxable gain for the option writer.
- Margin is required for certain option strategies. See the above section on *Margin*.

### *Costs and Fees Paid by Clients*

**Commission:** You will typically pay a commission/sales charge when you buy or sell an option within a brokerage account. Sales charges can be discounted at the discretion of your financial advisor. If applicable, sales charges will be disclosed as commissions on your transaction confirmation. If you plan to frequently trade options, you should discuss with your financial advisor the benefits of doing so in a wrap fee-based advisory account. The commission charge for a single purchase of multiple contracts cannot be more than the commission that would have been charged if the trade had been calculated as a number of separate single purchases of individual contracts.

**Transaction Fee:** A transaction charge may be assessed on certain accounts that do not charge a standard commission. If applicable, this fee will be disclosed as “Misc.” on the transaction confirmation you receive.



**Pricing Factors:** If you are purchasing an option, its price is determined by many factors including:

- the remaining life of the option,
- the volatility of the underlying security,
- the relationship between the strike price of the option and the market price of the underlying security, and
- the underlying company's dividend payment record.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

- Commission.

#### **Raymond James Compensation**

- Transaction fees.

### **Other Potential Conflicts of Interest**

**Payment for Order Flow:** We receive payment for order flow in the form of discounts, rebates, credits, or reductions in the fees charged for directing transactions to certain market centers or designated broker-dealer intermediaries. We do not receive payment for order flow on all orders, or for all shares or contracts associated with each order. Please see additional information under *Indirect Compensation—Payment for Order Flow*.

**Education and Marketing Support Payments:** Please see additional information at the top of this *Section IV* under *Non-Cash Compensation*.

### **Additional Information**

Due to the speculative nature of options, we must preapprove your specific trading strategy. You should have sufficient knowledge and experience to evaluate the risks associated with option trading. Certain accounts will be limited to income and hedging strategies, and will not be allowed to engage in more speculative trading strategies (e.g., IRAs, accounts subject to ERISA, and UTMA accounts).

## **WEALTH PLANNING & CONSULTING SERVICES**

### **Services Description**

We offer various wealth planning and investment consulting services. Wealth planning services may include financial planning, retirement planning, and estate planning. Investment consulting services may include assisting with determining an investment profile, a portfolio holdings review, asset allocation review and proposal, and investment strategy recommendations. Both wealth planning and consulting services provide tailored advice and investment strategies based on clients' individual needs. An advisory fee is charged for these services, which is more fully detailed in

the agreement. You should refer to the Wealth Advisory Services Program Agreement for additional information, including service offerings, limitations, and other considerations. Additional information regarding investment advisory services can be located in the Advisory Disclosure Documents.

## **PRIVATE INSTITUTIONAL CLIENT DESK REFERRALS**

### **Service Description**

The Private Institutional Client (PIC) Desk refers qualified clients that meet certain requirements relating to net worth, sophistication, and investment experience to originators of alternative investment opportunities. You must undergo a screening process before you can receive referral opportunities, be able to independently conduct due diligence on issuers and related products, and be able to independently determine the suitability of such investments. PIC Desk services are non-advisory and non-fiduciary, and you are not able to rely on either us or any of our affiliates to perform due diligence or assess suitability on your behalf. The PIC Desk also offers tailored trading and lending solutions to aid such qualified clients with their unique investment or borrowing needs. You should refer to the PIC Agreement for additional information, including risks, costs, compensation, and other considerations.

## **AFFILIATE PRODUCTS AND SERVICES**

Our affiliates provide a range of additional services and products that are available to you. You are under no obligation to purchase products or to select services from one of our affiliates, and many products and services are available from third parties, at either the same, greater, or less cost to you.

### **Raymond James Bank Products**

#### **Product Description**

We are affiliated with Raymond James Bank ("RJ Bank"). RJ Bank offers various products and services that are available to clients, such as mortgages, securities-based lending (as described above), structured products, and CDs. Clients should reference the agreements and related disclosures provided by RJ Bank for a full understanding of scope of services and for product and service information (the "RJ Bank Documents"). Comparable products and services are available from unaffiliated third parties, and clients are not required to utilize RJ Bank's products and services. The appropriateness of RJ Bank products and services is determined based upon individual client scenario.

Additional information regarding RJ Bank products and services can be located on its website:



[www.raymondjamesbank.com](http://www.raymondjamesbank.com).

### **Costs and Fees Paid by Clients**

Costs and fees are described in the applicable RJ Bank Documents. There may be a pricing differential based on individual client engagement, and your financial advisor may request RJ Bank to discount or reduce costs and fees; however, RJ Bank retains full authority regarding the pricing of its products and all related costs and fees.

### **Compensation**

#### Financial Advisor Compensation

As permitted by applicable law, you should expect that your financial advisor will receive referral compensation if you elect to purchase or utilize certain products and structures offered by or through RJ Bank.

### **RJ Capital Services**

#### **Product Description**

Our affiliate, RJ Capital Services, Inc. ("RJCS"), provides over-the-counter derivatives, including interest rate swaps and options (collectively, "interest rate swaps"), to certain eligible clients. An interest rate swap is a contract that enables you to exchange a floating (variable) interest rate for a fixed rate, or vice versa. Interest rate swaps are often used to hedge against the risk associated with a floating interest rate. For each interest period, if the floating rate exceeds the fixed rate, the swap provider will pay you the difference, and if the fixed rate exceeds the floating rate, you will pay the swap provider the difference. The floating receipts on the swap are expected to offset the floating payments you make on the loan, thus providing you an expected net fixed rate of interest. Interest rate swaps may pose unique risks, and additional information regarding interest rate swaps can be located in the Interest Rate Swap Term Sheet and accompanying documents, available upon request from your financial advisor.

### **Costs and Fees Paid by Clients**

Costs and fees are described in the applicable Interest Rate Swap Term Sheet and accompanying documents. There may be a pricing differential based on individual client engagement. If RJ Bank is involved in the transaction, e.g., by providing a lending solution, it may also receive a portion of the compensation.

### **Raymond James & Financial Advisor Compensation**

- Commission.

Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

## **SECURITIES-RELATED LENDING**

### **MARGIN**

#### **Service Description**

If your account is approved for margin, we will allow you to borrow funds using the securities in your account as collateral. When you buy securities on margin, you deposit a portion of the purchase price, and we extend you credit for the remainder, resulting in a debit balance on your account (which will be reflected on your account statement). We charge interest on your debit balance and require you to maintain securities, cash, or other property to secure repayment of funds borrowed. Before trading in a margin account, you should carefully review the margin sections in the client agreement.

Additional information is available at:

[www.raymondjames.com/margin](http://www.raymondjames.com/margin).

#### **Features and Characteristics**

- Margin interest may be tax deductible. Please consult your tax advisor for more details.
- You may use margin for various purposes, including investments in securities, margin trading strategies, and withdrawal of funds for certain personal expenses.
- Interest is charged based on the amount borrowed, as further described below.

#### **Risks**

- You can lose more funds than you deposit in the margin account.
- We can force the sale of securities in your account.
- We can sell your securities without contacting you.
- You are not entitled to choose which securities in your margin account are sold to meet a margin call.
- We can increase our "house" maintenance margin requirements at any time and are not required to provide you with advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Costs and Fees Paid by Clients**

#### **Interest Rates**

- We may charge interest on any debit balances in cash accounts, or credit extended in margin accounts, at up to 2.75 percentage points above the Raymond James Base Lending Rate.
- The Base Lending Rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and

general credit market conditions. We can change the Base Lending Rate without prior notice. When the Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you changes for any other reason, you will be notified at least 30 days in advance.

- Margin interest will post to your account on the last business day of the month. The interest period begins on the prior month's posting date and ends the day before the last business day of the month.
- When we pay funds in advance of settlement on the sale of securities, we will charge interest on the amount paid from date of payment until settlement date. If any other charges are made to your account for any reason, we may charge interest on the resulting debit balances.

### Ongoing Expenses

You may incur charges and interest for maintenance of margin and short positions.

Margin rates are negotiable, depending on a variety of factors, including the size of your account, your financial advisor's policy with respect to discounts, and your relationship with your financial advisor.

### Compensation

#### Financial Advisor Compensation

- Financial advisors may receive compensation based on the level of margin debit balances maintained with us.

#### Raymond James Compensation

- Interest on margin balances.
- Compensation by lending securities at market rates.

### Truth in Lending Statement

Your interest rate will vary with the size of your average debit balance according to the following schedule:

Loan Amount	Interest Rate
\$10 million and above	Base rate* less 1.25%
\$5,000,000-\$9,999,999.99	Base rate* less 1.00%
\$1,000,000-\$4,999,999.99	Base rate* less 0.75%
\$500,000-\$999,999.99	Base rate* less 0.50%
\$250,000-\$499,999.99	Base rate* plus 0.25%

\$100,000-\$249,999.99	Base rate* plus 0.75%
Under \$100,000.00	Base rate* plus 1.50%

\*The Base Rate is an internal Raymond James rate. Current rates can be viewed online at [www.raymondjames.com/lendingrates.htm](http://www.raymondjames.com/lendingrates.htm) or can be obtained from your financial advisor.

### Other Potential Conflicts of Interest

More sophisticated investment strategies such as short sales and margin may be offered in certain advisory account programs (*i.e.*, the Ambassador program). Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your financial advisor benefits from the use of margin by creating a higher absolute market value and therefore receiving a higher fee.

### Additional Information

Before trading stocks in a margin account, you should carefully review the Margin Agreement and the *Statement of Credit Disclosure* below in *Section V—Other Important Information*.

We believe that the use of margin generally adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money—you can lose more funds than you deposit in the margin account. In addition, you generally will not benefit from using margin unless the performance of your account exceeds interest expenses on the margin loan. You should also understand that the use of margin can negatively impact your ability to rebalance your account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your account.

Although not required, even if notice is provided with a specific date by which you must meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling your securities without further notice.

We may lend the securities held in your account to others if you maintain a margin debit in the account. This will result in changes in the tax treatment of dividends paid on the loaned securities and/or loss of your voting rights for those securities.

If you have a Capital Access account approved for margin, your margin account allows you to initiate loans by simply writing checks or using your Capital Access Visa® Platinum debit card. This means your personal line of credit provides overdraft protection for your Capital Access check and debit card usage. If the amount of your check or debit card purchase exceeds the cash in your account, your margin account is employed. Margin is only accessed when the cash in your account is exhausted, and interest is only charged on the balance of funds extended to you.

## **SECURITIES BASED LENDING (SBL) BY RAYMOND JAMES BANK**

### ***Service Description***

Our affiliate, Raymond James Bank, offers a securities based lending (“SBL”) service whereby securities may be used as collateral for a loan; however, pricing, features and characteristics differ from margin loans. Generally, SBL may let you borrow against a higher percentage of your assets than margin; however, SBL is not suitable for all clients, may involve a high degree of risk, and market conditions could magnify any potential for loss. The proceeds from an SBL loan cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account; (c) used to purchase any product issued or brokered through one of our affiliates, including insurance products we offer; or (d) otherwise used for the benefit of, or transferred to, one of our affiliates.

If you were to enter into an SBL with Raymond James Bank, then you would pledge securities in one or more of your accounts with us as collateral for the loan. Raymond James Bank may on demand require you to repay part or all of any outstanding advance, post additional eligible collateral, and sell or force the sale of the pledged securities without notice. Any required liquidations could interrupt your investment strategies and could result in adverse tax consequences and adverse impacts on your long-term investment goals. Pledging the securities in one or more of your accounts with us would also limit your authority to give certain orders or instructions regarding those accounts or securities, such as an instruction to make free delivery to you or a third party of any of the pledged securities; and Raymond James Bank would have authority to take exclusive control of those accounts and securities.

You should expect that Raymond James Bank, will compensate us, and we will compensate your financial advisor, in connection with the origination of an SBL loan based upon the amount of the loan or the outstanding balance at any time under the loan. The rate of compensation to your financial advisor may differ from that of a margin loan.

Because SBL is offered and provided by Raymond James Bank, rather than us, it is important that you thoroughly review the disclosure documents that Raymond James Bank, can provide to you before evaluating whether an SBL from Raymond James Bank, is right for you. Additional information regarding SBL is available at [www.raymondjamesbank.com/securities-based-lending](http://www.raymondjamesbank.com/securities-based-lending).

## **FULLY-PAID SECURITIES LENDING**

### ***Services Overview***

With fully-paid securities lending, we borrow securities from you, which we may use for any purpose permitted under Regulation T, including to cover a short sale or fail-to-deliver, to satisfy client possession and control requirements, or to further lend your loaned securities to other broker-dealers. We will pay you a fee for the use of your shares based on the fee schedule contained in the Fully-Paid Lending Master Securities Agreement. In exchange for the loan of securities, we will provide you with either cash or non-cash collateral, as permissible under applicable regulations. Your account will still show that you own the security position that you have loaned to us.

### ***Features and Characteristics***

Allows you to generate additional income on an existing long position in your account.

### ***Risks***

- Loaned securities are not covered by Securities Investor Protection Corporation (“SIPC”) insurance (see *Account Protection* in *Section V—Other Important Information*) and the collateral we deposit may constitute the only source of satisfaction of our obligations in the event we fail to return the loaned securities.
- Not an investment strategy.
- Fees generated by lending shares may not be sufficient to offset losses incurred because the position was not sold in accordance with your investment strategy.
- Loss of voting rights with respect to loaned securities.
- Lending securities to facilitate short selling could put downward pressure on the overall price of the security. Each loan transaction is not a hedge against price

decline and offers no downside price protection to client's loaned securities.

- Potential tax implications, see *Additional Information* section below.
- Securities lending takes place in an over-the-counter, negotiated rate market that generally lacks transparency with respect to transactions and prices. Given the nature of this market, we cannot guarantee that you will receive the most favorable rate for lending your loaned securities.

### **Costs and Fees Paid by Clients**

None.

### **Compensation**

#### **Raymond James & Financial Advisor Compensation**

- A portion of the total return generated on the transaction, as determined in a separate written agreement between you and us, and you should expect that we will share our compensation with your financial advisor.
- Compensation in connection with the use of your loaned securities, including lending your loaned securities to other parties for use with settling short sales, or for facilitating settlement of short sales by us, our affiliates, and our clients.
- Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs, and Fees*.

### **Other Potential Conflicts of Interest**

We have an opportunity to earn more compensation when the loaned securities are limited in supply relative to demand.

### **Additional Information**

Please review the Fully-Paid Lending Master Securities Agreement and the Fully Paid Lending Risk Disclosure (available from your financial advisor) thoroughly prior to utilizing this service.

You have the right to terminate a loan transaction or the entire agreement at any time and without prior notice in accordance with the Fully-Paid Lending Master Securities Agreement. You may sell some or all of any loaned security at any time and without giving prior notice. You are not required to recall shares or wait for recalled shares to settle in your account prior to selling.

Loaned securities on which dividends are paid will receive payments in lieu of the actual dividend. These payments in lieu of dividends are currently taxed at the ordinary income

rate. This rate may differ from tax rates on actual dividends and may provide less income based on current tax law. We may be required to withhold tax on payments in lieu of dividends and loan fees to you, unless an exception applies. You should consult a tax advisor regarding the tax implications of lending your securities to us, including but not limited to: treatment of payments in lieu of dividends under U.S. and state tax laws and the Internal Revenue Code, as well as any foreign tax regulations, as applicable; under what circumstances a loan of securities could be treated as a taxable disposition of the loaned securities; and treatment of interest received on collateral.

## **CASH MANAGEMENT**

### **CAPITAL ACCESS**

#### **Service Description**

The Capital Access account integrates a conventional securities account with a cash management account, which provides a Visa® Platinum debit card and check writing services. As part of that account, cash balances awaiting investment may earn interest daily in one or both of the following options: Raymond James Bank Deposit Program (including the Raymond James Bank Only option) or the Client Interest Program (CIP).

Additional terms and conditions related to Capital Access accounts is contained in your account opening documentation and online at: [www.raymondjames.com/capitalaccess](http://www.raymondjames.com/capitalaccess).

#### **Features and Characteristics**

Each of the following services are provided to most Capital Access accounts:

- Visa® debit card.
- Unlimited check-writing.
- Online access to account activity in Client Access, our online account application.
- Online bill payment through Client Access.
- ATM reimbursements (up to \$200 per year or unlimited for relationships above \$500,000).
- Check and deposit coding.
- Optional cash back at point of sale.
- Electronic payments and direct deposits.
- 24-hour client service line.
- No minimum balance to open or maintain an account.

Note that certain services may have additional limitations or requirements (for example, debit cards are not generally issued for clients residing outside of the United States, and if a debit card is issued, an annual fee may apply).

### **Costs and Fees Paid by Clients**

See above *Capital Access Account Fees* under *Other Costs and Fees* in *Section III—Compensation, Costs, and Fees*.

### **Compensation**

#### **Raymond James Compensation**

The costs noted in the previous section. Financial advisors do not receive compensation related to Capital Access.

### **Additional Information**

Margin is required—see the above section on *Margin*.

## **CASH SWEEP PROGRAM**

### **Introduction**

The cash sweep program is a service that allows clients to earn interest on cash awaiting investment (“Cash Sweep Program”). Raymond James & Associates, Inc. (“RJA”) offers a deposit sweep called the Raymond James Bank Deposit Program (“RJBDP,” which includes a version with Raymond James Bank (“RJ Bank”), as the only bank option [discussed below as “RJBDP-RJ Bank Only”]). In addition, RJA offers a cash feature called the Client Interest Program (“CIP”) under which, if you select that feature in an eligible account, RJA will pay you the same interest rate as you would receive if you selected RJBDP. Because CIP is an option for some accounts to earn interest on cash awaiting investment we are including CIP in the Cash Sweep Program. We refer to both RJBDP (including the variations described below) and CIP as “sweep options” throughout this document and our agreements with you.

Your account type determines which of the sweep options are available. Not all sweep options are available for each account type, and some account types have only one sweep option available. The sweep option(s) available for your type(s) of account at the time that you first open an account are set forth in the client agreements that you sign at the time of account opening. RJA may amend the Cash Sweep Program to change the sweep options available for any type of account, and in that case RJA may change the sweep option in one or more of your existing accounts. Such amendments and changes will be communicated in accordance with the section below titled “Amendments to the Cash Sweep Program.”

Your financial advisor can provide you with additional information about Cash Sweep Program eligibility. In determining which sweep option to select, if more than one is available, you should consider the features and benefits of each of the available sweep options, including the applicable

interest rates as well as the other information disclosed below in this document regarding how each feature works and the revenue and other benefits that Raymond James and its affiliates receive from these sweep options.

If you are purchasing securities, the amount of the purchase will be withdrawn from your sweep option on the settlement date, thereby eliminating the need to deliver funds to us. If you are selling securities, the proceeds are deposited in your sweep option by the day following settlement date, enabling you to begin earning interest on those funds until they are reinvested.

### **Overview of CIP**

CIP is a short-term alternative for cash awaiting investment, in which RJA holds that cash in your account and pays you interest. Cash in CIP is an obligation solely of RJA whereas the funds on deposit through RJBDP and RJBDP-RJ Bank Only are obligations solely of the banks.

### **Overview of RJBDP**

Through RJBDP which is offered by RJA, uninvested cash in your Raymond James account is automatically deposited, or “swept,” into interest-bearing deposit accounts at banks whose deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per insurable capacity per bank, subject to applicable limitations.

**Important disclosure about FDIC insurance coverage:** All references to FDIC insurance coverage under RJBDP address FDIC insurance coverage, up to applicable limits, at the insured depository institutions that participate in RJBDP. The current list of participating insured depository institutions is shown at [www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-deposit-program/participating-banks](http://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-deposit-program/participating-banks). The Raymond James Bank Deposit Program relies on the services of IntraFi Network, LLC for the placement of deposits at insured depository institutions. Two affiliates of Raymond James, RJ Bank and TriState Capital Bank, participate in RJBDP.

For each of your securities accounts enrolled in RJBDP, RJA will deposit up to \$245,000 (\$490,000 for each joint account of two or more) in each bank on a predetermined list of banks (the “Bank Priority List,” discussed below in the section titled “Operation of RJBDP; Bank Priority List”).



RJA will deposit up to that same amount (up to \$245,000, or up to \$490,000 for each joint account of two or more) in each bank, in the same order, from each of your securities accounts enrolled in RJBDP; RJA does not aggregate deposits from more than one securities account in applying those deposit limits. For more information about this, see sections below titled “Client’s Obligation to Monitor” and “Operation of RJBDP; Bank Priority List.” Once \$3 million (\$6 million for joint accounts of two or more) in total has been deposited at the banks from a securities account, or once the banks on your Bank Priority List decline to accept further cash, then depending upon the excess funds option you have selected, your excess funds from that securities account will either remain at RJA in CIP or be directed to designated “Excess Banks,” as described below in the sections titled “Excess Funds: Excess Banks” and “Excess Funds: RJBDP with CIP.” If you wish to change your excess funds option selection, please consult with your financial advisor.

If a bank on your Bank Priority List declines to accept any funds (or any further funds) under RJBDP, then even if that bank is on your Bank Priority List, you should expect that your cash will not sweep to that bank. You may see which banks hold your cash, and in what amounts, on your periodic account statements, in Client Access, or by contacting your financial advisor for that information.

In the event most or all of the banks on your Bank Priority List decline to accept any funds (or any further funds) under RJBDP, then it may be the case that little or none of your funds will sweep to banks on your Bank Priority List. The effect upon you may vary depending upon how much funds you have in your account and what excess funds option you have selected for your account. In general, however, the refusal of most or all banks on your Bank Priority List to accept any funds (or any further funds) could result in a significant limitation of the FDIC insurance that may be available to you through RJBDP. If you have more funds than are accepted by banks on your Bank Priority List, and the excess option you have selected is:

- Excess Banks, then your excess funds will sweep to an Excess Bank on your list. If the amount of your excess funds that sweeps to an Excess Bank is greater than applicable FDIC limits, then those funds will not be subject to either FDIC insurance or SIPC and excess SIPC coverage. If no Excess Bank on your list is accepting excess funds, then your excess funds will not sweep and instead will be held at RJA; in that case, those funds will be subject to SIPC and excess SIPC coverage within applicable limits, and RJA may, if permissible by law and

if in compliance with eligibility criteria for CIP as established by RJA, treat those unswept funds as part of CIP, and pay you interest on those funds, subject to all terms and conditions applicable to CIP.

- CIP, then those funds will be held at RJA in CIP, subject to all terms and conditions applicable to CIP, including the payment of interest and SIPC and excess SIPC coverage within applicable limits.

**Thus, the overall amount of potential FDIC insurance protection for which you may be eligible as a result of enrollment in the RJBDP will vary depending upon the number of banks that are accepting RJBDP cash at any point in time, as well as the excess funds option that you choose.**

For more information, see below sections titled “Client Interest Program (CIP),” “Excess Funds: Excess Banks,” “Excess Funds: RJBDP with CIP,” and “SIPC and Excess SIPC Coverage.”

As a result of RJBDP banks limiting or declining to accept funds, some or all funds of clients who have elected RJBDP may not sweep and instead may remain at RJA (such unswept funds referred to as “Capacity-Limited Unswept Funds”). If, subsequently, additional capacity to sweep funds to banks in RJBDP becomes available but in an amount less than necessary to permit all Capacity-Limited Unswept Funds to sweep to a bank in RJBDP, then RJA may in its sole discretion allocate newly-available capacity among clients that have Capacity-Limited Unswept Funds.

#### ***Overview of RJBDP-RJ Bank Only***

If your account is enrolled in the RJBDP-RJ Bank Only option, then uninvested cash in your Raymond James account is swept into deposit accounts at RJ Bank, whose deposits, up to applicable limits, are eligible for FDIC insurance. Funds are deposited without limit and without regard to the FDIC insurance limit. Even if RJ Bank continues to accept funds in RJBDP-RJ Bank Only, RJ Bank retains the discretion to decline to accept funds under the general RJBDP program, whether RJ Bank is designated as one of the banks on a Bank Priority List or is designated as an Excess Bank.

#### ***Availability of Funds***

Cash in RJBDP will generally be available for transfer or withdrawal the same day as requested; however, requests received after 1:30 p.m. Eastern Time may be processed and the cash made available on the next succeeding business day. In addition, RJA reserves the right to delay the



availability to you of cash in RJBDP until RJA receives the cash from the participating banks in which the cash is held.

Cash in CIP will generally be available for transfer or withdrawal the same day as requested, taking into account the time the request is received and the manner in which the funds are to be transferred or withdrawn.

As to newly deposited funds, whether in RJBDP, CIP, or otherwise, RJA and its affiliates reserve the right to delay availability for withdrawal or transfer until we have confirmed clearance of those newly deposited funds.

### **Exceptions**

Raymond James may, in its sole discretion, grant exceptions to any of the terms or conditions of the Cash Sweep Program or any sweep option. Such exceptions may include, but are not limited to, terms or conditions related to: (1) Any eligibility requirement for a sweep option; and (2) revising the fees RJA receives from participating banks in RJBDP, or revising the rate RJA sets on CIP, such that a particular client receives a higher or lower interest rate on swept cash than what is established through the general rate-determination processes.

### **Client's Obligation to Monitor**

Any cash coming into your Raymond James account – whether from a deposit by you, a dividend or interest payment, proceeds from the sale of a security, or otherwise – will be held in your selected sweep option until you (or the discretionary manager, if your account is managed) make a decision to use the cash for investment or other purpose. It is important that you monitor the amount of funds in your sweep option, and consider other options you may have for investment of those funds. Maintaining funds in your sweep option does not constitute or imply a recommendation by Raymond James that your funds should remain in your sweep option. Your financial advisor can discuss with you options other than or in addition to the Cash Sweep Program for your assets.

If you have elected RJBDP, then for each RJBDP bank into which RJA deposits your cash, it is also important that you monitor the total amount of deposits at that bank in each insurable capacity. Any/all deposits that you maintain in the same insurable capacity with a bank, including:

- RJBDP deposits from each/every securities account in that same insurable capacity – RJA will deposit up to \$245,000 (\$490,000 for each joint account of two or more) from each such securities account, see “Overview

of RJBDP” above and “Operation of RJBDP; Bank Priority List” below;

- Deposits (including certificates of deposit) with that bank held through an intermediary such as Raymond James or another broker-dealer; and
- Deposits (including certificates of deposit) held directly with that bank, will be aggregated for purposes of the FDIC insurance limit, with any excess over the FDIC insurance limit at each bank being held as uninsured deposits. You are responsible for monitoring the total amount of deposits that you hold with any one bank (from RJBDP or otherwise) in order for you to determine the extent of deposit insurance coverage available to you on your deposits, and if any amount deposited at a bank may be uninsured, you should speak with your financial advisor about opportunities to reduce such uninsured deposits by designating one or more RJBDP banks as ineligible to receive deposits (see section below titled “Operation of RJBDP; Bank Priority List” for information about designating banks as ineligible).

### **Interest Rates and Interest Rate Tiers**

#### **Interest rate tiers applicable across all sweep options.**

Your interest rate is based on the relationship you have with Raymond James, as well as the interest rate tier (“Interest Rate Tier”) for which your accounts are eligible. Eligibility for an Interest Rate Tier is based on the total of (1) the cash balance in RJBDP and (2) the cash balance in CIP (collectively, “Relationship Cash Value”). Your Interest Rate Tier eligibility will be reviewed and adjusted weekly, as necessary (normally after market close on the last business day of the week that the New York Stock Exchange is open (“Aggregation Day”)), and is based on your Relationship Cash Value at that time.

The Interest Rate Tiers are:

1. \$0 to \$24,999
2. \$25,000 to \$99,999
3. \$100,000 to \$249,999
4. \$250,000 to \$499,999
5. \$500,000 to \$999,999
6. \$1,000,000 to \$2,499,999
7. \$2,500,000 to \$4,999,999
8. \$5,000,000 to \$9,999,999
9. \$10,000,000 to \$24,999,999
10. \$25,000,000 or above

Additional Interest Rate Tiers may be available for Relationship Cash Values exceeding those listed above. Please consult your financial advisor for more information.

Raymond James may from time to time and in its sole discretion make special Interest Tier Rate offers (“Special Sweep Offers”) to all clients, or to a specified group of clients, with eligibility criteria that materially differ from Relationship Cash Value. Such Special Sweep Offers may provide eligible clients with a higher interest rate than is available to clients earning interest based on their Relationship Cash Value. A Special Sweep Offer, and the terms and conditions applicable to the Special Sweep Offer, will be posted on our website at [www.raymondjames.com/rjbdp](http://www.raymondjames.com/rjbdp).

#### **Interest rate tiers and account type.**

Cash balances in non-retirement accounts and in accounts that are subject to Section 4975 of the Internal Revenue Code but not subject to ERISA (e.g., IRAs), opened during the week will be assigned the greater of: (1) the Interest Rate Tier applicable for such account only taking into consideration the cash balance in such account, or (2) the Interest Rate Tier based on your Relationship Cash Value, excluding the cash balance in the new account. On the Aggregation Day following the opening of such accounts, any available cash balance will be added to your Relationship Cash Value and all Deposit Accounts will fall under the same Interest Rate Tier, based on the total Relationship Cash Value.

Cash balances held in accounts that are subject to ERISA will be assigned the Interest Rate Tier applicable for such account, only taking into consideration the cash balance in that account.

#### **Interest rate to be received by clients.**

Accounts enrolled in RJBDP, RJBDP-RJ Bank Only, and CIP each utilize the same Interest Rate Tiers and pay the same rate of interest on the cash balances within each Interest Rate Tier. The process by which the interest rate is determined is described below in the separate sections on each sweep option.

Interest rates may change at any time without notice. Interest rates will be available on the business day (i.e., Monday through Friday if the New York Stock Exchange is open) the rates are set. Interest Rate Tiers and applicable rates are posted online at [raymondjames.com/rates.htm](http://raymondjames.com/rates.htm). Rates are also available through Client Access or by contacting your financial advisor.

Interest will accrue on cash balances from the day funds are swept out of your Raymond James account through the business day preceding the date when funds are swept back into your Raymond James account. Interest will be compounded daily and credited monthly. For each of your

Raymond James accounts that is in CIP, RJA calculates and credits interest to the full cent earned in that account, and any fractional interest less than a full cent is not carried forward to future months. If less than one full cent is earned in an account in CIP over a month, then you are owed and will receive no interest in that account for that month (and any fractional interest less than one cent is not carried forward). For each of your Raymond James accounts that is in RJBDP, program banks calculate and credit interest to the full cent earned on the cash swept from that account, and any fractional interest less than one cent is not carried forward to future months. If less than one full cent is earned on cash swept from that account to an RJBDP program bank over a month, then you are owed and will receive no interest in that account for that month in relation to cash swept to that program bank (and any fractional interest less than one cent is not carried forward).

Neither RJA nor any participating banks are required to offer the highest rates available. Interest rates paid on your cash balances may equal, exceed, or be lower than the prevailing market rates. The interest rates paid may be higher or lower than the interest rates available to depositors making deposits directly with a bank or other depository institution in a comparable account. You should compare the terms, interest rates, required minimum amounts, and other features of the Cash Sweep Program with other accounts and alternative investments, and discuss your options with your financial advisor.

Interest rates will vary based upon prevailing economic and business conditions. In periods of low interest rates, the interest rate to be received by clients enrolled in RJBDP, RJBDP-RJ Bank Only and CIP could be as low as zero; further, in the event of a negative interest rate environment, Raymond James, in its sole discretion, may charge your account (including IRA accounts and accounts subject to ERISA) a fee on all funds that you maintain in your account, whether such funds are deposited through RJBDP, held in CIP, or held in any other way. See section below titled “Negative Interest Rate Disclosure.”

#### **Charges or costs to clients selecting a sweep option.**

The Cash Sweep Program is offered at no additional charge or cost to clients.

#### **Compensation and other benefits to Raymond James and its affiliates from client cash in the Cash Sweep Program.**

Fees paid to RJA by the banks in RJBDP provide RJA a material source of revenue. This revenue is important to the ability of RJA to finance its business activities, and has a

benefit to the potential profitability of RJA. In addition to the fees received by RJA from the banks, cash balances in the Cash Sweep Program provide a relatively low-cost source of funds to (1) RJA, as to the cash balances in CIP and (2) RJ Bank and TriState Capital Bank as to RJBDP cash balances deposited with those entities. This has a benefit to the potential profitability of each of those entities. Both the revenue and the other benefits to RJA and its affiliates increase when more client funds are held in the Cash Sweep Program. See the subsections on *Compensation and other Benefits to Raymond James and its affiliates* below in each different sweep option section for additional detail.

**Raymond James sharing of compensation and other benefits from client cash in the Cash Sweep Program.**

With your financial advisor: You should expect that Raymond James will share a portion of the revenues it receives from one or more of the sweep options with your financial advisor. The rate of any such revenue sharing may be increased depending upon the aggregate amount of client funds in the Cash Sweep Program by all clients of your financial advisor. Further, you should expect that Raymond James will share with your financial advisor a portion of the revenues it receives on one or more of the sweep options resulting from new or additional cash (or from all cash) that you choose to hold in that sweep option as a result of offers Raymond James may make to you, for example special rate offers or other kinds of exception offers.

Even when Raymond James does not share a portion of the revenues it receives with a financial advisor, the aggregate amount of cash in the Cash Sweep Program by all clients of the financial advisor may be credited to the financial advisor for purposes of determining the overall payout rate that financial advisor receives from Raymond James, and/or to qualify the financial advisor for other benefits from Raymond James, such as paid travel for Raymond James recognition trips and reimbursement of business-related expenses; thus, higher aggregate amounts of client funds in the Cash Sweep Program may cause the financial advisor to receive higher compensation or non-compensation benefits on transactions and activities unrelated to the Cash Sweep Program, even when no Cash Sweep Program revenue is shared with the financial advisor. Please note that Raymond James may at any time change its policies and procedures on either the sharing of Cash Sweep Program revenue with financial advisors, or on the crediting to financial advisors of aggregate cash levels for purposes of compensation or non-compensation benefits.

The interest rate that you receive on your cash in the Cash Sweep Program is not impacted by any revenue shared with, or credit received by, your financial advisor.

With third parties: You should expect that Raymond James or its affiliates will share a portion of the revenues they receive from the Cash Sweep Program with third parties, including but not limited to an introducing broker-dealer or introducing investment adviser. Whether and on what terms any such sharing would occur would be established by contractual agreement between Raymond James or its affiliate and the third party. The interest rate that you receive on your cash in the Cash Sweep Program is not impacted by any revenue shared with a third party.

**Operation of RJBDP**

Bank Priority List

RJA establishes contracts with multiple banks, which are included in one or more Bank Priority Lists. The Bank Priority List of available banks into which your cash is deposited is based on your account's legal address of record. The current Bank Priority Lists are available at [www.raymondjames.com/rjbdp](http://www.raymondjames.com/rjbdp) or from your financial advisor. Banks appear on your applicable Bank Priority List in the order in which the deposit accounts will be opened for you by RJA and your cash will be deposited. You should review the Bank Priority List carefully and consult with your financial advisor about current rates and your options. Rate information is available at [raymondjames.com/rates.htm](http://raymondjames.com/rates.htm).

RJA will deposit up to \$245,000 (\$490,000 for each joint account of two or more) in each bank, in the same order, from each of your securities accounts enrolled in RJBDP; RJA does not aggregate deposits from more than one securities account in applying the deposit limit per bank. As an example, assume you have two same-name, single-account holder securities accounts with Raymond James:

- If account #1 has \$300,000 in cash and account #2 has zero cash, then \$245,000 will be deposited at the first bank on your bank priority list, and \$55,000 will be deposited at the second bank on your bank priority list. If you have no other deposits in the same insurable capacity at either bank, then the entire \$300,000 will be insured deposits.
- If each account has \$150,000 in cash, then the entire \$300,000 (\$150,000 from each account, which for each account is less than the \$245,000 deposit limit) will be deposited at the first bank on your bank priority list. Even if you have no other deposits in the same insurable

capacity at either bank, only \$250,000 will be insured deposits, and the remaining \$50,000 will be uninsured deposits. In this scenario, you should speak with your financial advisor about designating different banks as ineligible for cash for each of your securities accounts, so that cash from each securities account will sweep to different sets of banks from your Bank Priority List.

You may not change the order of the banks on the Bank Priority List; however, you may at any time designate a bank as ineligible to receive your cash from any one or more of your securities accounts. This election will result in your cash being deposited at the next bank on the Bank Priority List, unless you otherwise choose to use your cash to purchase investments.

**In addition, you may at any time instruct RJA to remove your cash from a bank, close your associated deposit accounts with a bank, and designate a bank as ineligible to receive future deposits through the Cash Sweep Program.**

If you wish to designate a bank as ineligible to receive your funds, please contact your financial advisor. The list of ineligible banks will be displayed on your Raymond James account statement as “participating banks you declined.”

The Bank Priority List may be changed, as described below under *Changes to the Bank Priority List*.

#### Deposit and Withdrawal Procedures

RJA will act as your agent and custodian in establishing and maintaining the deposit accounts at each participating bank. RJA may retain a bank (which may be an affiliate of RJA such as Raymond James Bank, or a non-affiliate third-party bank) to act as subcustodian for RJA in establishing the deposit accounts at some participating banks and maintaining records of the total balances in the deposit accounts at those participating banks. If RJA retains a subcustodian that is an affiliate of RJA (such as Raymond James Bank), then you should expect that affiliate will receive certain regulatory benefits as a result of serving as subcustodian. Any reference below to RJA taking an action at or with regard to a participating bank includes action by a subcustodian, acting as an agent for RJA.

Although the deposit accounts are obligations of the participating banks and not Raymond James, its affiliates, or any subcustodian, you will not have a direct relationship with the participating banks—all deposits and withdrawals will be made by RJA on your behalf, and information about your

deposit accounts may be obtained from Raymond James, not the banks.

When RJA opens a deposit account for your cash at a participating bank, it opens both a money market deposit account (MMDA) – a type of savings deposit – and a linked transaction account (TA) at one or more of the banks on the Bank Priority List in the order set forth on the Bank Priority List (the “Deposit Sequence”). The MMDAs and TAs are non-transferable. Your MMDA and TA at each bank will earn the same interest rate, and all banks will pay the same interest rate.

Once your funds at a bank reach the Deposit Threshold (\$245,000 or \$490,000 for joint accounts of two or more), RJA, as your agent, will open an MMDA and TA for you at the next bank on the Priority List and place your additional funds in that bank.

As necessary to satisfy withdrawals, funds will be transferred from your MMDA to the related TA at each bank, and withdrawals will be made from the TA. RJA, in its discretion, may determine a minimum, or “threshold,” amount to be maintained in your TA to satisfy debits in your Raymond James account. You will earn the same rate of interest and receive the same level of FDIC insurance coverage regardless of the allocation of your cash between your MMDAs and TAs.

Federal banking regulations limit the transfers from an MMDA to a total of six per month (or statement cycle). At any point during a calendar month in which transfers from an MMDA at a bank have reached the applicable limit, all funds will be transferred from that MMDA to the linked TA at the bank until the end of that calendar month. Deposits for the remainder of the month into this bank will be made to the TA. At the beginning of the next calendar month, funds on deposit in the TA will be transferred to the MMDA, minus any threshold amount RJA elects to maintain. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a bank, or the amount of FDIC insurance coverage for which you are eligible.

Debits in your Raymond James account will be satisfied in the reverse order from the Deposit Sequence (the “Withdrawal Sequence”). Funds will be withdrawn from Excess Banks or CIP, as applicable, before funds are withdrawn from your deposit accounts at the banks. If a withdrawal of funds from your deposit accounts is necessary to satisfy a debit, RJA, as your agent, will withdraw funds from your TAs at the banks on the Priority List beginning with the lowest priority bank on the Bank Priority List at which your cash has been deposited.

If there are insufficient funds at that bank, funds will be withdrawn from each bank in the Withdrawal Sequence (lowest priority to highest priority) until the debit is satisfied. If cash in the TA at a bank from which funds are being withdrawn is insufficient to satisfy a debit, funds in the related MMDA at that bank will be transferred to the TA to satisfy the debit, plus funds to maintain any TA threshold amount. If there are insufficient funds in the deposit accounts at the banks on the Bank Priority List to satisfy the debit, your financial advisor will withdraw funds from other available sources.

Federal banking regulations require the banks to reserve the right to require seven days' prior written notice before permitting transfers or withdrawals from the deposit accounts. The banks participating in the Cash Sweep Program have indicated that they currently have no intention of exercising this right.

#### Changes to the Bank Priority List

The Bank Priority List may change at any time. One or more of the banks included on the Bank Priority List may be replaced with a bank not previously included on the Bank Priority List, a bank may be added to or deleted from the Bank Priority List, or the order of banks on the Bank Priority List may change. When a new bank is added to RJBDP, the Bank Priority Lists available at [www.raymondjames.com/rjbdp](http://www.raymondjames.com/rjbdp) are updated, and the bank will be listed under "participating banks recently added" in your next Raymond James account statement. If a bank discontinues participation in RJBDP, your cash will be transferred to the next available bank on the Bank Priority List.

In general, you will receive notification in advance of such changes and have an opportunity to designate a bank as ineligible to receive your deposits before any cash is deposited into a new bank or in a new Deposit Sequence. However, if a bank is unable to accept deposits for regulatory or other reasons, Raymond James may not be able to provide you with advance notice. Raymond James will provide you notice of such changes as soon as reasonably practicable.

In the event that the Deposit Sequence changes, on the day on which the revised Deposit Sequence is effective, your previously deposited cash may be reallocated among the banks on the revised Deposit Sequence in accordance with the deposit procedures described above unless a given bank on the revised Bank Priority List is unable to accept deposits for regulatory or other reasons. In such case, that bank will not have cash reallocated to it. This reallocation could result

in a bank on the Bank Priority List having a smaller deposit balance than one or more banks in a lower priority position on the Bank Priority List. When the bank that was unable to accept your funds is again able to accept your funds, available cash balances in your Raymond James account will be placed in that bank as described above. Other than as described in this paragraph, deposits and withdrawals of your cash made after a change to the Bank Priority List will occur as described above.

If a bank holding your cash no longer makes the deposit accounts available through RJBDP, you will be notified by Raymond James and given the opportunity to establish a direct depository relationship with the bank, subject to its rules with respect to establishing and maintaining deposit accounts. If you choose not to establish a direct depository relationship with the bank, your funds will be withdrawn and transferred to the next available bank on the Bank Priority List. The consequences of maintaining a direct depository relationship with a bank are discussed below in *Your Relationship with Raymond James and its Affiliates and the Banks*.

#### Excess Funds: Excess Banks

If you have selected Excess Bank as your excess funds option, then your Bank Priority List includes one or more Excess Banks that have indicated a willingness to accept funds without regard to the FDIC insurance limit; in that case, RJA will sweep all of your excess funds to one or more Excess Banks, even if the amount of your excess funds swept to an Excess Bank exceeds FDIC insurance limits. If all of your funds are withdrawn from an Excess Bank, your funds may be deposited in a different Excess Bank the next time your funds are available for deposit in an Excess Bank. You must have at least one eligible Excess Bank.

Every RJBDP Bank, including every Excess Bank, may decide in its sole discretion that it will cease to accept any funds (or any further funds) under RJBDP. If no Excess Bank on your list is accepting excess funds, then any excess funds you have will not sweep and instead will be held at RJA; in that case, those funds will be subject to SIPC and excess SIPC coverage within applicable limits, and RJA may, if permissible by law and if in compliance with eligibility criteria for CIP as established by RJA, treat those unswept funds as part of CIP, and pay you interest on those funds, subject to all terms and conditions applicable to CIP. For more information, see below sections titled "Client Interest Program (CIP)" and "SIPC and Excess SIPC Coverage."



#### Excess Funds: RJBDP with CIP

In order to offer you additional protection, RJA also offers RJBDP with CIP as the excess funds option. This excess funds option combines the associated features for those two sweep options that are discussed herein. Balances are first deposited into RJBDP for FDIC insurance coverage. Uninsured cash balances above maximum FDIC insurance coverage limits are then held in CIP subject to SIPC and excess SIPC coverage within applicable limits.

#### **Operation of RJBDP–RJ Bank Only**

If your account is eligible solely for RJBDP–RJ Bank Only, available cash in your Raymond James account is deposited into an interest-bearing deposit account at RJ Bank without limit and without regard to the FDIC insurance limit. The deposit account will be eligible for up to \$250,000 in deposit insurance coverage (\$500,000 for joint accounts of two or more) by the FDIC, subject to applicable limitations. By selecting RJBDP–RJ Bank Only, you authorize the deposit or investment of cash balances in your account in deposits issued by RJ Bank, which will bear a reasonable rate of interest (as required by 29 C.F.R. Section 2550.408b-4(b)(2)).

#### **Changes to RJBDP and RJBDP–RJ Bank Only**

In addition to the changes to the Bank Priority List as discussed above, RJA may terminate or modify RJBDP and RJBDP–RJ Bank Only at any time in its discretion. Modifications to RJBDP and RJBDP–RJ Bank Only may include, but are not limited to, changing the terms, conditions, and availability of RJBDP and RJBDP–RJ Bank Only. Such modifications will be communicated in accordance with the *Amendments to the Cash Sweep Program* section below.

#### **Information about Your Deposit Accounts and CIP**

You will not receive trade confirmations on activity in the Cash Sweep Program. All transactions in your deposit accounts will be confirmed on your periodic Raymond James account statement. For each statement period, your Raymond James account statement will reflect:

- Deposits and withdrawals made through the Cash Sweep Program;
- For RJBDP (including RJBDP–RJ Bank Only), the closing balances of the deposit accounts at each bank;
- The interest rate and interest earned; and
- For RJBDP, the list of banks you declined to receive your cash, if any.

Your periodic account statements will also reflect any balance in CIP.

Raymond James, and not any bank or any other third party, is responsible for the accuracy of your Raymond James account statement. Your financial advisor can assist you in understanding your account.

#### **Your Relationship with Raymond James, its Affiliates, and the Banks**

RJA is acting as your agent in establishing the deposit accounts at each bank, depositing funds into the deposit accounts, withdrawing funds from the deposit accounts, and transferring cash among the deposit accounts. Deposit account ownership is evidenced by a book entry on the account records of each bank and by records maintained by RJA as your custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your Raymond James account statements will reflect the balances in your deposit accounts at the banks. You should retain your Raymond James account statements for your records. You may at any time obtain information about your deposit accounts by viewing your Raymond James account online in Client Access or contacting your financial advisor.

Unless you establish the deposit accounts directly with a bank as described below, all transactions with respect to your Cash Sweep Program deposit accounts must be directed by RJA and all information concerning your deposit accounts can only be obtained from Raymond James. The banks have no obligation to accept instructions from you with respect to your deposit accounts or to provide you information concerning your deposit accounts.

Raymond James may, in its sole discretion, terminate your use of the deposit accounts as a sweep option, or you may terminate your participation in RJBDP. In either situation, you may establish a direct depository relationship with each bank, subject to their rules with respect to maintaining deposit accounts. Establishing a deposit account in your name at a bank will separate the deposit account from your Raymond James account, and your deposit account balances will no longer be reflected in your Raymond James account statement, and Raymond James will have no further responsibility concerning your deposit accounts.

As described above, you will not have a direct account relationship with the banks; however, each deposit account constitutes an obligation of a bank and is not directly or indirectly an obligation of Raymond James or its affiliates.



You can obtain publicly available financial information about each bank at [www.ffiec.gov/NPW](http://www.ffiec.gov/NPW) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, VA 22226, or by phone at 703.562.2200. Raymond James and its affiliates do not guarantee in any way the financial condition of the banks or the accuracy of any publicly available financial information about the banks.

### **FDIC Insurance Coverage**

**Important disclosure about FDIC insurance coverage:** All references to FDIC insurance coverage under RJBDP address FDIC insurance coverage, up to applicable limits, at the insured depository institutions that participate in RJBDP. The current list of participating insured depository institutions is shown at [www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-deposit-program/participating-banks](http://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-deposit-program/participating-banks). The Raymond James Bank Deposit Program relies on the services of IntraFi Network, LLC for the placement of deposits at insured depository institutions.

The FDIC deposit insurance limit for most insurable capacities is \$250,000 per owner, including principal and accrued interest per depositor when aggregated with all other deposits held in the same insurable capacity at a bank. Insurable capacities include individual accounts, IRAs, joint accounts, trusts, and employee benefit plans. Accounts held in certain capacities, such as trusts and employee benefit plans, may be accorded insurance on a per-beneficiary or per-participant basis. For example, cash balances swept to a bank account held by an individual are insured up to \$250,000, and cash balances swept to a bank held jointly by two or more individuals are insured up to \$500,000 (\$250,000 per joint owner).

Under certain circumstances, if you become the owner of deposits at a bank because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the \$250,000 FDIC deposit insurance limit with any other deposits that you own in the same insurable capacity at the bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts, and certain trust accounts. The FDIC provides a six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the unlikely event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and Raymond James is under no obligation to credit your Raymond James account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to Raymond James to provide to the FDIC before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your deposits at a bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of any time deposits that were assumed or (ii) with respect to deposits that are not time deposits, the expiration of a six-month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the bank after the acquisition will be aggregated with deposits established with the acquiror for purposes of the \$250,000 FDIC deposit insurance limit.

Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a bank or through an intermediary (such as Raymond James or another broker) will be aggregated with funds in your Deposit Accounts at that bank for purposes of the FDIC insurance limit. In the event a bank fails, your cash is insured, up to the FDIC insurance limit, for principal and interest accrued up to the date the bank is closed. You are responsible for monitoring the total amount of deposits that you hold with any one bank in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including any cash deposited to the bank through the Cash Sweep Program. Raymond James and its affiliates are not responsible for any insured or uninsured portion of cash swept to, or any other deposits at, the banks.

If you have questions about FDIC insurance coverage, please contact your financial advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC:

- *By mail:* Deposit Insurance Outreach, Division of Depositor and Consumer Protection; 550 17th Street N.W., Washington, DC 20429
- *By phone:* 877.275.3342 or 800.925.4618 (TDD)
- *Online:* [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html)

### **No SIPC Insurance Coverage**

**Deposit accounts held in your account are not eligible for coverage by SIPC.** You should carefully review the section titled *Securities Investor Protection Corporation Coverage* under *Account Protection* in *Section V—Other Important Information*.

Note that if you select CIP as the excess funds option for RJB DP (as described above), SIPC and excess SIPC coverage of excess amounts held in CIP will be as described below in the section concerning CIP.

### **Compensation and other benefits to RJA and its affiliates from RJB DP**

Client funds swept to a bank other than RJ Bank and TriState Capital Bank: Each bank will pay RJA a fee equal to a percentage of the average daily deposit balance on cash swept to and held at the bank. The aggregate fee from all banks will not exceed an annual rate equal to the Federal Funds Target Rate, upper limit, plus 75 basis points (0.75%) of all balances in deposit accounts at all non-affiliated banks in RJB DP. In its discretion, RJA may reduce its fee and may vary the amount of the reductions between clients. The fees RJA receives will vary by bank and by Interest Rate Tier, and such fees will reduce the interest rate paid by a bank on your deposit accounts.

The amount of the fee received by RJA from one of these participating banks may exceed the amount paid to you as interest on your funds held at that participating bank; however, that will depend upon both your Interest Rate Tier and the overall interest rate environment and other market factors at any given point in time.

RJB DP client cash swept to RJ Bank and TriState Capital Bank: Each of RJ Bank and TriState Capital Bank will pay RJA an annual administrative fee of up to \$100 per account. RJ Bank and TriState Capital Bank benefit by receiving deposits through RJB DP on which each of those banks pays an interest rate that may be less than the cost of other alternative funding sources available to it. Deposits in deposit accounts at each of those banks provide a stable source of deposits for that bank, which it may use to fund new lending and investment activity, as permitted by applicable law. As with

other depository institutions, the profitability of RJ Bank and TriState Capital Bank is determined in large part by the difference between the interest paid and other costs associated with its deposits, and the interest or other income earned on its loans, investments, and other assets.

RJA pays service fees to unaffiliated service providers involved in the RJB DP program out of the fees that RJA receives from the banks.

### **Interest rate to be received by clients in RJB DP**

Rate-determination process for client cash swept through RJB DP to banks other than RJ Bank: The interest rates on the deposit accounts will be determined by the amount the banks are willing to pay on balances in the deposit accounts. As set forth above, the banks will also pay fees to RJA and other parties which will affect the available interest rates.

Rate-determination process for client cash swept through RJB DP to RJ Bank: RJ Bank sets the rates that it will pay for each Interest Rate Tier, and any client whose cash sweeps to RJ Bank under RJB DP will receive that interest rate.

Rate-determination process for client cash swept through RJB DP to TriState Capital Bank: TriState Capital Bank sets the rates that it will pay for each Interest Rate Tier, and any client whose cash sweeps to TriState Capital Bank under RJB DP will receive that interest rate.

### ***Client Interest Program (CIP)***

#### **Overview**

CIP is a short-term alternative for cash awaiting investment, in which RJA holds that cash in your account and pays you interest. Cash in CIP is an obligation solely of RJA whereas the funds on deposit through RJB DP and RJB DP-RJ Bank Only are obligations of the banks.

As required by the U.S. Securities and Exchange Commission, RJA separates a significant portion of CIP cash held for the exclusive benefit of clients from cash used in RJA's business operations. This portion of CIP is, by regulation, required to be placed in overnight repurchase agreements that are fully collateralized by U.S. Treasury securities or deposited in qualifying trust or cash accounts with major U.S. banks. The remaining balance of CIP cash is used by RJA for its business operations to the extent permitted by law.

### **Interest rate to be received by clients in CIP**

RJA sets the interest rates that it pays per Interest Rate Tier on client cash in CIP. RJA sets those CIP interest rates to equal

the interest rates received by clients in each Interest Rate Tier from RJB DP, so that within each Interest Rate Tier the interest rate that a client in CIP will receive will be the same as the interest rate that client would receive in RJB DP.

#### **Compensation and other benefits to Raymond James and its affiliates from client cash in CIP**

After paying interest to clients on their cash in CIP, RJA retains any additional benefit or remuneration related to client cash in CIP. Specifically, for the portion of CIP cash required to be placed in overnight repurchase agreements or deposited in qualifying trust or cash accounts with major U.S. banks, RJA retains any remuneration received from those sources, and RJA retains any remuneration or other benefit received as a result of any CIP cash balances not placed in such investments.

#### **SIPC and Excess SIPC Coverage**

Balances held through CIP are subject to SIPC and excess SIPC coverage within applicable limits. You should carefully review the sections titled “Coverage Summary” and “SIPC and Excess SIPC” in *Section V—Other Important Information* below.

#### ***RJ Bank with Check Writing***

Available only to clients who have retirement accounts with check writing capabilities, this sweep option allows for cash to be transferred to and from your Raymond James account to an individually named account held directly at RJ Bank. The balances held in individually named accounts at RJ Bank are also FDIC-insured in accordance with FDIC rules and aggregation limits described above.

#### **Tax Considerations**

For most clients, interest earned in the Cash Sweep Program will be taxed as ordinary income in the year it is received. Form 1099 will be sent to you each year showing the amount of interest income you have earned. You should consult with your tax advisor about how the program affects you.

You may contact your financial advisor or access our website to determine the current interest rate on the deposit accounts and other sweep options.

#### **Amendments to the Cash Sweep Program**

RJA and its affiliates may modify or amend the Cash Sweep Program in our sole discretion, provided that if we (a) make changes to the terms and conditions of the Cash Sweep Program, (b) make changes to the terms and conditions of a product currently available through the Cash Sweep

Program, (c) change, add, or delete products available through the Cash Sweep Program, or (d) change your investment through the Cash Sweep Program from one product to another, we shall provide you with 30 days’ prior written notice. Such notice may be made by means of a letter, an entry on your Raymond James account statement, an insert to your Raymond James account statement, an entry on a trade confirmation, or by a posting at [www.raymondjames.com/rjb dp](http://www.raymondjames.com/rjb dp) or [raymondjames.com/rates.htm](http://raymondjames.com/rates.htm).

#### **Float Disclosure**

As with funds in CIP, any cash balances in your account pending sweep into banks through RJB DP are held unsegregated and may be used by us in the conduct of our business, subject to the limitations of rules under the Securities Exchange Act of 1934, as amended. Raymond James and its affiliates derive profit from any return on such cash balances (e.g., loans and other investments we make), net of expenses. Cash balances provide a relatively low-cost source of funds to us and thus help contribute to our profitability. You agree that Raymond James and its affiliates may retain your account’s proportionate share of any net interest earned on aggregate cash balances with respect to (1) assets awaiting investment or (2) assets pending distribution from your account.

#### **Cash Management**

Cash management features are available for all of the above sweep options through the Capital Access account. These features include check writing, debit cards, online bill payment, and ACH. For more information regarding Capital Access, please contact your financial advisor.

#### **Negative Interest Rate Disclosure**

Global economic conditions, including negative inflation and currency valuations, have caused some foreign central banks to implement a negative interest rate policy in which banks must pay the central bank to hold reserves and depositors must pay their bank to maintain their deposits. If such a policy is adopted or if for any reason banks begin to charge Raymond James on deposits, Raymond James, in its sole discretion, may charge your account (including IRA accounts and accounts subject to ERISA) a fee on all funds that you maintain in your account, whether such funds are deposited through RJB DP, held in CIP, or held in any other way.

If a fee is charged, the fee would be determined on the last business day of each month based on your average cash balance in your account during the preceding month, regardless how held. The fee will appear on your Raymond James account statement. The fee may be increased or decreased at any time to compensate Raymond James for the reasonable estimate of the costs incurred by Raymond James or its affiliates related to maintaining client cash in the negative interest rate environment. The fee may be in addition to other fees received by RJA. Raymond James may eliminate the fee at any time; waive or not charge the fee as to any client; or treat cash held by banks in RJBDP differently than cash held in your account at Raymond James for purposes of determining or charging the fee. Information regarding the fee will be available at [raymondjames.com/rates.htm](https://raymondjames.com/rates.htm) or from your financial advisor.

#### **RAYMOND JAMES BANK ENHANCED SAVINGS PROGRAM** ***Service Description***

Our affiliate, Raymond James Bank (“RJ Bank”), offers the Enhanced Savings Program. This program, plus other savings programs that RJ Bank may from time to time offer in the future, are referred to collectively as the “Bank Savings Programs.” Because the Bank Savings Programs are offered and provided by Raymond James Bank, rather than us, it is important that you thoroughly review the disclosure documents that Raymond James Bank can provide to you before evaluating whether a Bank Savings Program is right for you. Contact your Financial Advisor for additional information regarding the Bank Enhanced Savings Programs.

We refer clients to RJ Bank for each Bank Savings Program, and may provide marketing and other support services to RJ Bank in connection with one or more of the Bank Savings Programs. You should expect that RJ Bank will compensate us for any such referrals and services. The pricing, terms, and conditions of the arrangements between us and RJ Bank for any such referrals and services will be reviewed periodically by the parties for consistency with arms-length (or “market”) terms. Deposits in any Bank Savings Program provide RJ Bank with a source of funds at a price that may be less than the price for other alternative funding sources available to RJ Bank Bank. RJ Bank intends to use Program deposits to fund current and new businesses, including lending activities and investments. Therefore, the profitability of RJ Bank may

benefit from its ability to use deposits in the Bank Savings Programs.

You should expect that we will compensate your Financial Advisor for referring you to any Bank Savings Program, with the compensation being based upon the amount that you deposit in that Program and how much of that amount remains in that Program over time. This creates an incentive for your financial advisor to recommend that you deposit cash into a Bank Savings Program, and continue to hold cash in that Bank Savings Program over time.

#### **Enhanced Savings Program:**

The Enhanced Savings Program (the “Program”) is a strategic savings program that offers higher yields and FDIC deposit insurance than standard savings or checking accounts (<https://www.raymondjamesbank.com/deposit-accounts/enhanced-savings-program>). Under the Program, Raymond James Bank deposits your funds into interest bearing FDIC-insured deposit accounts at third party FDIC-insured depository institutions (each, a “Destination Institution”); these deposit accounts are deposit obligations of the Destination Institutions only, and are not deposit obligations of or guaranteed by Raymond James Bank. Raymond James Bank acts as your agent and custodian in establishing and making deposits to and withdrawals from these deposit accounts at the Destination Institutions. To facilitate your participation in the Program and the deposit accounts at the Destination Institutions, two related deposit accounts will be established in your name at Raymond James Bank, for the sole purpose of moving your Program funds into and out of the deposit accounts at the Destination Institutions, in accordance with your instructions. Raymond James Bank may place conditions on money that is eligible for deposit into the Program at any point in time, such as limiting eligible deposits to net new cash deposits to Raymond James from external sources. The Program relies on the services of IntraFi Network, LLC for the placement of deposits at third party FDIC-insured depository institutions. The current list of FDIC-insured depository institutions in the network is shown at [www.intrafinetworkdeposits.com/find-intrafi-network-deposits/](https://www.intrafinetworkdeposits.com/find-intrafi-network-deposits/).



## TRISTATE CAPITAL BANK CAPITAL DEPOSIT PROGRAM

Our affiliate, TriState Capital Bank, offers various deposit and cash management products, that include an FDIC-insured deposit solution, offering higher yields and FDIC deposit insurance versus standard savings or checking accounts (the “TriState Capital Deposit Program”). The TriState Capital Deposit Program may rely on the services of IntraFi Network, LLC for the placement of deposits at third party FDIC-insured depository institutions. The current list of FDIC-insured depository institutions in the network is shown at <https://www.intrafinetworkdeposits.com/find-intrafi-network-deposits/>.

We refer clients to TriState Capital Bank for the TriState Capital Deposit Program and may provide marketing and other support services to TriState Capital Bank in connection with that Program. You should expect that TriState Capital Bank will compensate us for any such referrals and services. The pricing, terms and conditions of the arrangements between us and TriState Capital Bank for any such referrals and services will be reviewed periodically by the parties for consistency with arms-length (or “market”) terms. Deposits in the TriState Capital Deposit Program provide TriState Capital Bank with a source of funds at a price that may be less than the price for other alternative funding sources available to TriState Capital Bank. TriState Capital Bank intends to use TriState Capital Deposit Program deposits to fund current and new businesses, including lending activities and investments. Therefore, the profitability of TriState Capital Bank may benefit from its ability to use deposits obtained through the TriState Capital Deposit Program.

You should expect that we will compensate your Financial Advisor for referring you to the TriState Capital Deposit Program, with the compensation being based upon the amount that you deposit in the TriState Capital Deposit Program and how much of that amount remains in the TriState Capital Deposit Program over time.

Because the TriState Capital Deposit Program is offered and provided by TriState Capital Bank, rather than us, it is important that you thoroughly review the disclosure documents that TriState Capital Bank can provide to you before evaluating whether it is right for you. Contact your Financial Advisor or visit [Financial Institutions | Liquidity Solutions | Tristate Capital Bank](#) for additional information.

## OTHER SERVICES

### TRADING AND EXECUTION SERVICES

As a registered broker-dealer, we provide trading and execution services.

#### *Placing Trades*

**Best Available Price.** Once your trade is placed, we will do our best to execute the transaction at the best available price. Smaller trades are generally executed via automated systems at the best available price.

**Instructions and Confirmation Review.** You can place a trade by contacting your financial advisor or your financial advisor’s licensed sales associate. Please be specific and carefully explain your instructions. Ask to have your instructions read back to you for verification. Once you receive your trade confirmation (online the day following the trade or in hard copy within a few business days of the trade), read it carefully to ensure that your instructions have been carried out. If they have not, contact your financial advisor immediately.

**Trade Aggregation.** We may combine your sale and purchase orders with similar orders being made simultaneously for other accounts if, in our reasonable judgment, such aggregation is likely to result in an overall economic benefit to you by evaluating the availability of relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other potential benefits. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In that case, the average price of all securities purchased or sold in such transactions may be determined, and you may receive the average transaction price.

**“Average Price” Per Share.** We report an “average price” per share when multiple executions are required to complete your order. It is a calculated average of the prices of all individual executions. Details regarding the actual price of each execution are available upon request. Although multiple executions may be necessary, no additional fees or commissions are charged.

#### *Extended-Hours Trading*

In accordance with FINRA Rule 2265, we are providing the following regarding the risks associated with extended hours trading. For the purposes of this section, “regular trading hours” in equity securities generally means the time between

9:30 a.m. Eastern Time and 4:00 p.m. Eastern Time, “regular trading days” generally means Monday through Friday, excluding New York Stock Exchange holidays, and “extended hours trading” means trading outside of regular trading hours on regular trading days.

You should carefully consider the following items prior to engaging in extended hours trading:

**Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities; as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, an order may only be partially executed or not at all.

**Risk of Higher Volatility.** Volatility refers to the degree the market price of a security changes during trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, an order may only be partially executed, or not at all, or an order may receive an inferior price in extended hours trading compared to regular market hours.

**Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening the next morning. As a result, an order may receive an inferior price in extended hours trading compared to regular market hours.

**Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, an order may receive an inferior price in one extended hours trading system compared to another extended hours trading system.

**Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading and, if combined

with lower liquidity and higher volatility, may cause an exaggerated effect on the price of a security.

**Risk of Wider Spreads.** The spread refers to the difference between the price at which a security can be bought and the price for which it can be sold. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

**Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (IIV).** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the opening and late trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

#### **Trade Date and Settlement Date**

The day on which your trade is executed is the “trade date,” while the day on which you pay/are paid for a trade is the “settlement date.” Securities regulations specify two business days from trade date to settlement date for most securities. This regulation – which the industry calls “T+2” – may not provide sufficient time for you to receive the confirmation of your transaction by regular mail and then pay for an executed buy order. You should either have funds on deposit with us or arrange for payment based on oral confirmation of the trade. The vast majority of clients keep cash balances on deposit with us to ensure timely settlement of trades.

#### **Online Trading**

Your financial advisor can offer you the opportunity to engage in certain trading activities online through Raymond James Client Access. Before trading online, however, it is important to understand how securities transactions are executed, particularly during times of volatile prices and high volume, when there may be delays.

#### **Long and Short Sales**

Most sales of securities are “long” sales, where you are selling a security that you own. If the security is not in your account when you place the sale order, you must deliver it to us by the settlement date. A “short” sale is the sale of a security that you do not currently own. Delivery requirements for short sales are typically fulfilled by borrowing the security.



With respect to both long and short sales, failure to timely deliver the security will generally require us to fulfill your delivery requirements by purchasing the securities sold at the current market price, in our sole discretion and without prior notice to you, which may result in significant losses to you, and for which you will be financially responsible.

#### ***Order Routing/Best Execution***

Absent specific routing instructions from you, our policy is to route orders to the market center or designated broker-dealer intermediary where we believe that you will receive the best execution, based on a number of factors. Eligible orders (i.e., orders from non-managed and non-discretionary accounts) will initially be directed to another broker-dealer to access a third-party Alternative Trading System (“ATS”) where such orders will have an opportunity to trade with RJA’s institutional or third-party institutional liquidity provider (“TPILP”) order flow, if it exists, using strategies targeting at or better than the national best bid or offer (often referred to as the NBBO) pricing. If no match occurs within that ATS between an eligible order and the institutional client or TPILP order flow, the eligible order will then be routed to other market centers for execution. Consistent with our obligation to provide best execution, we have implemented policies and procedures that continually review our order routing determinations and mitigate conflicts of interest relating to payment for order flow, trading profits, and other forms of remuneration.

#### ***Indirect Compensation—Payment for Order Flow.***

SEC Rule 607 of Regulation NMS requires broker-dealers to disclose at account opening and annually thereafter their policies regarding payment for order flow and order routing practices. If specific routing instructions are not received from you, our policy is to route orders to the market center or designated broker-dealer intermediary where we believe that a client will receive the best execution, based on a number of factors. The potential for receipt of order flow payment or trading profits is not a factor in this decision. We receive payment for order flow in the form of discounts, rebates, credits, or reductions in the fees charged for directing transactions to certain market centers or designated broker-dealer intermediaries. We do not receive payment for order flow on all orders, or for all shares or contracts associated with each order. This compensation, estimated to total approximately \$5 million annually, is received in a number of ways, including direct cash payment of a fraction of a cent per share for equity trades and direct cash payments per contract for options. The source and specific amount of any such compensation related to a client’s account are available upon written request. For

information regarding our order routing practices, please visit [www.raymondjames.com/orderrouting](http://www.raymondjames.com/orderrouting). Financial advisors do not receive compensation related to payment for order flow or order routing practices.

It is possible for us to act as a market maker (Market Participant Identification: RAJA) in certain securities. Occasionally, we execute eligible orders received from clients and other broker-dealers against the firm’s proprietary inventory. We realize 100% of any trading profits or losses generated from trading with client orders as principal.

#### ***The Pitfalls of Penny Stocks***

As a general rule, we will not execute purchases of stocks that are trading at less than \$2 per share, unless that stock is traded on a major stock exchange. In almost all cases, adequate financial information is available on stocks that trade on an exchange, facilitating analysis of the security prior to purchase. Stocks that are trading under \$2 per share and are not listed on an exchange generally are riskier, as the companies are smaller and do not necessarily have the same reporting requirements as listed stocks.

#### ***Understanding the Over-the-Counter Market***

As most companies whose stocks trade over the counter are smaller, their market capitalizations are also smaller and their stocks are less liquid. This creates a larger spread between the stock’s bid and ask prices. Furthermore, because market makers often only make 100-share markets before changing their bid and ask, it generally takes longer to get pricing reports. As a result, even a market order placed at market opening might take a long time to execute at a series of prices. This generally would not happen with the stock of a large company stock listed on an exchange.

### **ADMINISTRATIVE SERVICES**

#### ***Service Description***

We also provide an array of administrative services to better support, manage, and serve your investment needs.

#### ***Crediting Checks to an Account and Cashing Checks***

**Holds.** All checks deposited with us, except cashier’s checks, traveler’s checks, and money orders, are subject to a minimum two-day hold. All deposits processed through the ATM (automated teller machine) network are subject to a two-day minimum hold. Certain checks, based on size, account history, and other factors, may be held up to 10 business days. Credit card or line of credit checks are subject to a 20-business-day hold. With the exception of foreign checks, all checks begin to earn interest after two business days.

**Foreign Checks.** Foreign checks, including those from Canadian banks, are not accepted for payment of a trade and will not be credited to your account until we receive the funds. This may take up to six weeks. Please always make your checks payable to “Raymond James & Associates, Inc.” and include your account number. Financial advisors are required to have clients make checks payable to us, not to themselves or to any other entity. We are not responsible for checks that are not payable to “Raymond James & Associates, Inc.”

**Uncashed Checks.** If you do not cash checks that we send you within 120 days of issuance (90 days for standard check age plus a 30-day hold period), we will redeposit them to your account, unless the check is for a de minimis amount (currently \$20 or less). If the check is for a de minimis amount, we will place the funds in payable account for potential escheatment. This policy remains in effect, and notification is hereby provided in accordance with interpretive guidance of Rule 17Ad-17 under the Securities Exchange Act of 1934, as amended.

#### ***Callable Securities Procedures***

When a security is subject to a partial redemption by the issuer, the issuer notifies Raymond James, via a central industry depository, of the number of units for the specific security to be redeemed. Raymond James follows certain procedures and regulatory guidelines to ensure partial call redemptions are completed fairly and consistently. Additional information about these allocation procedures is available at [www.raymondjames.com/callablesecurities](http://www.raymondjames.com/callablesecurities) or will be provided as a hard copy upon request.

#### ***Dividends and Interest Payments***

**Crediting to Client Accounts.** Unless instructed otherwise, we credit all dividend and interest payments to client accounts on the declared payment date. However, you do have choices as to how to receive those payments. Your financial advisor can help you select the best method for accessing your interest and dividends.

**ACH to Bank.** You may choose to receive dividend and interest payments by check or direct deposit to your bank account through the Automated Clearing House (ACH). To do so, ask your financial advisor to set up an ACH Profile for you.

**Processing/Mailing of Dividend Checks.** While funds are immediately available when credited, we process and mail checks each Friday if all dividend and interest payments credited to your account during the previous week total \$100 or more. If they total less than \$100, they will accumulate in

your account until the \$100 threshold is reached, at which time we will issue a check. If you receive dividend and interest payments by check, you will receive a breakdown of the payments included on each check.

**Sweeps to Interest-Bearing Accounts.** You may prefer to have payments automatically swept into an interest-bearing account, eliminating the need to cash checks or deliver them to another institution for deposit and eliminating possible delays due to “holds” placed on the funds when the checks are deposited in another institution or due to the postal service. In addition, by sweeping your payments into an interest-bearing account, you will begin earning competitive rates of interest on them immediately. Each interest and dividend payment and subsequent sweep is automatically reported on your account statement.

**Dividend Reinvestment Alternative.** If you would like to automatically buy additional shares of the underlying stock with each cash dividend, you may choose to opt-in to our dividend reinvestment program. The option is available on most equity and closed-end fund shares that are listed on a national stock exchange. The program is free of charge on an unlimited number of securities. Benefits include consolidation of assets, estate simplification, and loan eligibility. Street name dividend-reinvestment offers ease of liquidation of all full and fractional shares through a single simple instruction to your financial advisor, eliminating the need for multiple instructions to various outside agents.

#### ***Class Action Recovery Service***

On or around August 28, 2023 (exact date subject to operational constraints), all of your eligible accounts will be automatically enrolled in the Class Action Recovery Service, which authorizes us to automate the class action claim process for your accounts. This service automatically identifies class actions that you may be eligible for based on your transactions and account holdings in your enrolled accounts, and proactively files the claim and submits all evidence on your behalf. If a settlement does result, settlement funds will be deposited into your account. This Class Actions Recovery Service is administered by Broadridge Investor Communication Solutions, Inc. In exchange for administering this service, Broadridge deducts 8.25% from any class action settlement funds received on your behalf.

Closed accounts are not eligible and will not be enrolled in the Class Actions Recovery Service.

Once an eligible account is enrolled in the Class Actions Recovery Service, this authorization will remain in effect, notwithstanding your disability or death, until we are notified to discontinue this authorization by you or your authorized representative. If you wish to opt out of this service, you may contact your financial advisor at any time to unenroll. We reserve the right to cancel the Class Action Recovery Service at any time.

You can view the full Terms and Conditions governing this Class Action Recovery Service at [www.raymondjames.com/classactionrecoveryservice](http://www.raymondjames.com/classactionrecoveryservice) or you may request a paper copy from your financial advisor.

## SECTION V—OTHER IMPORTANT INFORMATION

### STATEMENT OF CREDIT DISCLOSURE

#### **Cash Accounts**

Cash accounts may be subject, at our discretion, to interest on any debit balances resulting from failure to make payment in full for securities purchased, from proceeds of sales paid prior to settlement date, or for other charges that may be made to your account.

#### **Margin Accounts**

By purchasing securities on credit, commonly known as margin, you can increase the buying power of your equity and increase the potential for profit, but you also increase the potential for loss. When you buy securities on margin, you deposit a portion of the purchase price, and we extend you credit for the remainder. The loan appears as a debit balance on your monthly account statement. We charge interest on your debit balance and require you to maintain securities, cash or other property to secure repayment of funds advanced.

We will charge interest for any credit we extend to you for the purpose of buying, trading, or carrying securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When we pay funds in advance of settlement on the sale of securities, we will charge interest on the amount paid from date of payment until settlement date. If any other charges are made to your account for any reason, we may charge interest on the resulting debit balances.

#### **Interest Rates**

We may charge interest on any debit balances in cash accounts or credit extended in margin accounts at up to 2.75 percentage points above the Raymond James Base Lending

Rate. This rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. It may change without prior notice. When the Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you changes for any other reason, we will notify you at least 30 days in advance.

#### **Interest Period**

Margin interest will post to your account on the last business day of the month. The interest period begins on the prior month's posting date and ends the day before the last business day of the month.

#### **Method of Interest Computation**

At the close of each day, we will compute the interest charge by multiplying the average daily debit balance by the applicable schedule rate, and then divide by 360. The month-end interest charge is the sum of the daily accrued interest calculations for the month. No interest is calculated on days when the account has a zero balance or a credit balance. If there is a credit in your cash account and a debit in your margin account, you should expect that we will calculate the interest charge on the resulting net balance. We will add the interest charged for credit extended to your account at the close of the interest period to the opening debit balance for the next interest period, unless you pay it. Raymond James Base Lending Rate agreements are governed by the laws of the State of Florida.

If you sell a security short (or short against the box) and it appreciates in market price, a debit will be posted to margin to make up for the increased price. Correspondingly, if the security you sold short depreciates in market price, a credit will be posted to margin to make up for the reduced price. This practice is known as "marking to market." If the "mark to market" creates a settled debit balance in margin, we will charge you interest on the debit. We use the daily closing price to determine the appreciation or depreciation of a security sold short.

If your account is short shares of stock on the record date of a dividend or other distribution, regardless of how the short position occurs, we will charge your account the amount of the dividend or other distribution on the following business day.

### **General Margin Policies**

The amount of credit that we may extend and the terms of the extension are governed by rules of the Federal Reserve Board and the Financial Industry Regulatory Authority. Using these rules as guidelines and subject to adjustment required by changes to them, as well as our own business judgment, we have established internal policies for margin accounts. If the market value of securities in your margin account declines, we may require you to deposit additional collateral. Margin account equity is the current market value of securities and cash deposited as security, minus the amount you owe us for credit extended. It is our general policy to require margin account holders to maintain equity in their margin accounts of the greater of 30% of current market value or \$3 per share for common stock purchased on margin. We apply other standards for other types of securities. For example, we do not allow securities valued at \$5 per share or less to be purchased using margin, except under exceptional circumstances. We will grant approval for purchases of securities under \$5 in a margin account at our sole discretion. Also, certain other securities may be ineligible for margin credit from time to time. For information on our general margin maintenance policy as to municipal bonds, corporate bonds, listed U.S. Treasury notes and bonds, and other securities, contact your financial advisor.

Notwithstanding the above general policies, we reserve the right, at our discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount for particular accounts or classes of accounts as we deem necessary. In making these determinations, we may take into account various factors, including the size of an account, liquidity of position, unusual concentrations of securities in an account, or a decline in creditworthiness. If you fail to meet a margin call in a timely manner, we may liquidate some or all of your positions without prior notification.

### **Deposits of Collateral, Lien on Accounts, and Liquidation**

If we request additional collateral, you may deposit cash or acceptable securities into your margin account. If you do not promptly deposit satisfactory collateral when we request it, we may, at our discretion, liquidate securities held in any of your accounts. In this connection, pursuant to our Margin Agreement, we retain a security interest in all securities and other property held in your accounts, including securities held for safekeeping, so long as any credit extended remains outstanding.

## **ACCOUNT PROTECTION**

### **Coverage Summary**

#### **FDIC**

Covered Investments: Bank Deposits.

Available Coverage: \$250,000 insurance limit per depositor per insured institution. You may qualify for more than \$250,000 in coverage if you own deposit accounts in different ownership categories. The deposit insurance company limits refer to the total of all deposits that an account holder (or account holders) has at each FDIC-insured bank.

#### **SIPC**

Covered Investments: Registered securities and cash.

Available Coverage: Generally protects SEC-registered securities to a maximum of \$500,000, including \$250,000 coverage for claims for cash.

#### **Excess SIPC**

Covered Investments: Registered securities and cash.

Available Coverage: Once a client's SIPC coverage limit is exhausted, excess SIPC provides an aggregate firm limit of \$750 million, including a sub-limit of \$1.9 million per client for cash above basic SIPC for the wrongful abstraction of client funds.

### **SIPC & Excess SIPC**

Raymond James is a member of the Securities Investor Protection Corporation (SIPC). SIPC provides coverage, as set forth above, in the unlikely event that we fail financially. Money market fund shares are not considered cash for this purpose; they are securities. An explanatory brochure is available upon request at [www.sipc.org](http://www.sipc.org) or by calling 202.371.8300. SIPC asset protection limits apply, in the aggregate, to all securities accounts that you hold with us in a particular capacity.

SIPC coverage does not insure against the loss of your investment. SIPC coverage does not ensure the quality of investments, or protect against a decline or fluctuations in the value of your investment.

Further, SIPC coverage does not apply to securities or cash custodied outside of a customer account at a SIPC-member brokerage firm. There are investments, such as alternative investment funds, that you can make through your relationship with Raymond James that are not custodied at a Raymond James broker-dealer, or affiliated custodian but are instead custodied directly at the issuer or at a third party.

Any such investment custodied away from your Raymond James broker-dealer is not covered by SIPC (if not custodied at a different SIPC-member broker-dealer). As a courtesy, we may provide information about some custodied-away investments on the account statement for your Raymond James brokerage account, but in that case your Raymond James account statement will identify that the investment is custodied away from your Raymond James broker-dealer or affiliated custodian. Assets reflecting Raymond James Trust Company of New Hampshire as IRA Custodian are reflected on your IRA custodial statement for regulatory reporting purposes only.

We have purchased excess SIPC coverage through various syndicates of Lloyd's, a London-based firm. Excess SIPC is fully protected by the Lloyd's trust funds and Lloyd's Central Fund. The additional protection currently provided is described above. Account protection applies when an SIPC-member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against market fluctuations.

#### **FDIC**

SIPC coverage is not the same as FDIC deposit insurance and operates differently. Balances and products such as certificates of deposit (CDs) held at Raymond James Bank are covered by the Federal Deposit Insurance Corporation (FDIC), subject to FDIC rules and aggregation limits, but not by SIPC or excess SIPC. FDIC is an independent agency of the U.S. government that insures bank-held assets as set forth above. For purposes of calculating the \$250,000 FDIC limit, you should aggregate any accounts, deposits, and products you maintain in the same capacity directly with Raymond James Bank with any accounts, deposits, and products you maintain at Raymond James Bank through another intermediary such as us.

You are responsible for monitoring the total amount of such deposits at Raymond James Bank in order to determine the extent of insurance coverage available to you. Neither we nor any of our affiliates are responsible for any insured or uninsured portion of your deposits or CDs.

**Unless explicitly stated, products sold by us are not considered bank deposits and are not covered by FDIC insurance.** Further information on FDIC insurance can be obtained from your financial advisor, who will provide you with the FDIC brochure "Your Insured Deposits, FDIC's Guide to Deposit Insurance Coverage" upon request. You can obtain information directly from the FDIC, Division of Supervision and Consumer Protection, by writing to Deposit Insurance

Outreach, 550 17th Street N.W., Washington, DC 20429, or telephoning 877.275.3342 or 800.925.4618 (TDD). Or, you may visit the FDIC website at [www.fdic.gov](http://www.fdic.gov) or email them at [dcainternet@fdic.gov](mailto:dcainternet@fdic.gov).

You may also wish to consult with your attorney concerning FDIC coverage of deposits, particularly when held in more than one capacity. The information above summarizes account protection coverage for various Raymond James accounts.

#### **FINANCIAL ADVISOR CERTIFICATIONS AND PROFESSIONAL DESIGNATIONS**

The ability to provide financial advice and conduct sales activities in the securities and insurance industries requires registration with a regulatory body. Conversely, professional designations are generally administered by an issuing organization (independent from us) that determines the criteria needed to earn the designation. Some designations involve fairly rigorous standards to earn and maintain the designation, allow investors to verify the status of individuals claiming to hold that designation, and a few even have a formal disciplinary process. Other designations may have less rigorous requirements. If your financial advisor holds out a designation, you should discuss with your financial advisor the meaning of such designation. For additional information, please visit [www.raymondjames.com/professionaldesignations](http://www.raymondjames.com/professionaldesignations). FINRA also provides a Professional Designations tool on its website at [www.finra.org/investors/professional-designations](http://www.finra.org/investors/professional-designations). We are not bound by the standards of any such organizations, and your relationship with us is governed by the terms of the applicable client agreements you have entered into with us and by the standards of conduct of regulatory and self-regulatory organizations with jurisdiction over us.

#### **RAYMOND JAMES EQUITY RESEARCH**

##### ***Services Description***

Raymond James equity research is not a recommendation to open an account or to buy or sell any security.

We are committed to being one of the premier equity research providers covering growth companies and the institutional and retail communities that invest in them. We and our affiliates provide research coverage on more than 1,000 publicly traded companies. While our focus remains on middle- and small-capitalization companies, our supply chain approach and desire to develop deep sector expertise results in substantial coverage of large-cap companies as well. We also provide equity strategy and public policy



research. Additional research disclosure on specific companies is available at:  
<https://raymondjames.bluematrix.com/sellside/Disclosures.action>.

### **Equity Research Process**

A variety of factors goes into the research process, including an assessment of industry dynamics; interviews of company executives; analysis of the competition; and information as available from the suppliers, distributors, major customers, and other independent sources. Analysts are encouraged to develop opinions that may differ from those of the management of companies that they are evaluating. Valuation methodologies, investment risks, and conclusions are discussed in all basic company research reports.

We supplement our equity research service for our private client group with research provided by select other firms. We do not independently verify their information.

Analysts are not able to independently check and verify all facts and, to a large degree, must rely on information provided in public financial disclosure and by company officials. Overly optimistic or fraudulent management can mislead analysts and financial advisors. However, our analysts endeavor to develop other industry information sources from trade groups, government agencies, and other companies in the industry, as well as suppliers and customers of the subject companies. In periods of poor general market performance, it is difficult for individual securities not to be affected. All the other factors included in the *Understanding Investment Risk* section of this Important Client Information document may also cause the securities not to perform as expected. Thus, our recommendations represent our analysts' best judgments given available facts and public information, not guarantees of investment performance. Some of our recommended securities will lose money, although historically, our average long-term performance has been positive.

### **RJA Ratings and Definitions**

Our analysis is summarized in a rating for stocks in our coverage universe as follows:

**Strong Buy (SB1):** Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

**Outperform (MO2):** Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.

**Market Perform (MP3):** Expected to perform generally in line with the S&P 500 over the next 12 months.

**Underperform (MU4):** Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.

**Suspended (S):** The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when we may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

Stocks that we consider most attractive for purchase are rated Strong Buy. Generally, we believe that only stocks in the first two categories—Strong Buy and Outperform—should be purchased or retained. Market Perform-rated securities can be viewed as either holds or sources of funds, depending upon other considerations such as taxes and portfolio diversification. These decisions are typically client- or portfolio-specific, and we recommend that clients seek the advice of their financial advisors.

Although our ratings analysis also includes expected returns, these expectations are the analyst's own opinion based on the analyst's assessment of a company's prospects and prediction about market direction. Expected returns are not a guarantee of the success of an investment.

Financial advisors are not required to conform to the firm's opinions. Financial advisors, who are more familiar with an individual client's needs, objectives, and tolerance for risk, are better able to assess whether an investment in an individual stock is in the best interest for that client, and may have a different opinion of the investment merits of the security, as may other research sources. Nonetheless, additional care should be employed when purchasing stocks other than those rated Strong Buy or Outperform.

### **Stock Recommendation Lists**

We maintain three stock recommendation lists, as follows:



**Analyst Current Favorites:** This publication contains current favorite stock ideas from the analysts in Equity Research. Each analyst may contribute one “buy” idea to the list, which is updated regularly.

**Analysts Best Picks®:** Each December, we publish top pick recommendations for the coming year from our most senior and experienced analysts. The purpose of this static list is to try to identify companies able to sustain or improve operational growth and thus select stocks likely to produce above-average price appreciation over the coming year.

**Equity Income Report:** This quarterly publication features common equities, REITs, and partnerships that our fundamental analysts believe offer sustainable income at current rates or higher, above average prospects for return, and may be considered alternatives to other lower-yielding instruments.

#### ***Suitability Ratings***

In addition to rating stocks relative to the market and industry group, we also provide ratings that should be used to help determine investor suitability, which are available online at

[www.raymondjames.com/equityresearchratings](http://www.raymondjames.com/equityresearchratings). Clients should compare suitability ratings of investments to their objectives and risk tolerance.

#### ***Equity Research Independence***

As revenue-producing activities support research, potential conflicts of interest exist. Our policy is to require analyst objectivity and to support analysts’ conclusions, even if contrary to the interests of our revenue-producing divisions, including our investment banking activities.

Research is conducted in a manner consistent with the firm’s business principles and investor objectives. The firm encourages thorough and insightful assessments of industries, companies, and the outlook for individual securities and the general market. We prize analyst independence, objectivity, thorough analysis, and integrity. Management believes that value-added analysis and independent judgment are critical elements in the quest for superior investment performance. Our equity analysts strive to anticipate both positive and negative information and to respond accordingly with timely changes in ratings, earnings estimates, and price targets. Our primary goal is to contribute to the success of our investing clients by providing opinions and information based on the analysis of available facts.

Our policies and procedures are reasonably designed to ensure compliance with regulatory rules applicable to equity research.

#### **Research Management**

Research management is committed to providing an environment that encourages thorough and independent securities analysis unaffected by inappropriate influences upon stock ratings, earnings estimates, and price targets. Our operating principles are designed to minimize or eliminate the potential for conflicts of interest. Sources of conflict may be internal in nature, stemming from the fact that we may be providing investment banking services to a covered company, or external in nature, such as potential pressure from covered company executives or institutional owners. Research is organized and policies are in place to manage potential conflicts. For example, if a report is to be reviewed by a company for factual accuracy prior to publication, the investment rating and thesis are removed to ensure analyst independence and confidentiality with respect to the intended rating.

#### **Analyst Compensation**

Our equity research analysts and associates are compensated on a salary and bonus system. Several factors enter into the compensation determination for an analyst, including (i) research quality and overall productivity, including success in rating stocks on an absolute basis and relative to the local exchange composite index or sector index, (ii) recognition from institutional investors, (iii) support effectiveness to the institutional and retail sales forces and traders, (iv) commissions generated in stocks under coverage that are attributable to the analyst’s efforts, (v) net revenues of the overall Global Equities and Investment Banking division, and (vi) compensation levels for analysts at competing investment dealers.

#### **Independence from Raymond James Investment Banking**

Research does not and has never reported to our Investment Banking Department. Moreover, Investment Banking has no direct or indirect approval of the ratings, earnings estimates, and/or price targets of companies covered, whether the subject company is an investment banking client or not. Investment banking personnel may occasionally consult with analysts in order to determine if our firm should assist a potential corporate client. Such communications are conducted consistent with laws and regulations applicable to equity research, and it is clearly understood by all parties that the independence of the analyst and the interest of the investing client are the first priorities of the analyst. In fact, the analyst’s opinion is solicited in the due diligence process

to determine if our firm should assist a potential corporate client.

Analysts and other research employees are required to put client interests ahead of personal investments. Moreover, personal interests must be fully disclosed and consistent with investment recommendations. Analysts and their research associates are not permitted to transact in equity-related securities in companies that are in their coverage sector.

### **Analyst Ownership of Stocks**

Analysts' and research associates' ownership of stocks that they cover is disclosed in all equity research reports discussing those securities. Additionally, relevant private investments or business interests cannot conflict with company analysis and must be disclosed in related company reports. Finally, analysts cannot cover securities of companies in which they or members of their households or immediate families are officers, directors, or advisory board members.

### **Results**

Clients have the right to expect the firm's research analysts to provide advice reflective of their objective conclusions after diligent analysis. That research must be intended to generate results consistent with the clients' best interests, though some of those recommendations will inevitably prove unprofitable. However, when investing in individual stocks, it is the client's responsibility to read the research in order to make better-informed investment decisions.

### **Indirect Compensation—Soft Dollars**

Certain institutional clients, typically institutional money managers, may have arrangements where they obtain research services from us and instruct third-party broker-dealers to direct a portion of that institutional client's trading commissions, at the third-party broker-dealer, to us as consideration for our research services pursuant to a commission sharing arrangement between that institutional client and third-party broker-dealer. These arrangements are known as "soft dollar" arrangements and are common arrangements for institutional investors in the financial services industry. We do not have "contracts" or "arrangements" that require such institutional clients to send us any order flow in exchange for research services. Other institutional clients who direct trade execution to us are also able to instruct us to direct a portion of their related trading commissions to third-party providers of research services pursuant to a commission sharing arrangement. Although there is no limit to how much may be designated by

an institutional client, typically these clients instruct us to target 20%-40% of commissions for payment to such third-party research providers in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. You should expect us to receive certain direct compensation from institutional clients for research services, as more fully described in the Advisory Disclosure.

### **BUSINESS CONTINUITY**

We have established a Business Continuity Department comprised of a dedicated team of professionals who oversee our business continuity, crisis management, and disaster recovery strategies. The department works closely with the business units and the Information Technology Department to ensure a standardized framework for building, maintaining, and testing business continuity plans. Our continuity plans employ an all-hazards approach, including baseline requirements and strategies to address incidents of varying scope. They are designed to allow for continued operation of critical business functions, including the ability to provide clients with prompt access to their funds and securities. For additional information, please see the full Business Continuity Disclosure Statement, located at [www.raymondjames.com/BCP](http://www.raymondjames.com/BCP).