



40 S. Main Street, Suite 1800
Memphis, TN 38103
901-251-1330

FORM ADV PART 2A FIRM BROCHURE

August 29, 2022

(Previously revised December 21, 2021)

This Brochure provides information about the qualifications and business practices of B. Riley Wealth Advisors, Inc. If you have any questions about the contents of this Brochure, please contact the Firm's Compliance Department at BRWMcompliance@brileywealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about B. Riley Wealth Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with the Firm who are registered, or are required to be registered, as investment adviser representatives. You can search this site for information about the Firm by searching for a unique identifying number, known as a CRD number. The CRD number for B. Riley Wealth Advisors, Inc. is 115927. Registration with the SEC does not imply a certain level of skill or expertise.

Item 2 – Material Changes

The last amendment to this Form ADV Part 2A brochure (the “Brochure”) was dated December 21, 2021. On August 29, 2022, National Asset Management, Inc. changed its name to B. Riley Wealth Advisors, Inc. Additionally, a new Chief Compliance Officer was named, whose contact information can be found in our ADV 1A, Item 1.J.

Item 3 – Table of Contents

Item 2 – Material Changes	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	5
About Us	5
Registration.....	5
Supplemental Brochures.....	5
Doing Business As (“DBAs”)	5
Fiduciary Responsibility	5
Acknowledgment of Our Fiduciary Status with Respect to Retirement Accounts	6
Types of Advisory Services.....	6
Assets Under Management.....	10
Item 5 – Fees & Compensation	11
General Fee Practices.....	11
AUM Fee.....	11
Financial Planning & Consulting Fee	12
Additional Fees or Compensation.....	12
Private Funds	13
Conflicts of Interest	13
Item 6 – Performance Based Fees and Side by Side Management	15
Item 7 – Types of Clients	16
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	17
Methods of Analysis	17
Investment Strategies.....	17
Risk of Loss.....	17
Item 9 – Disciplinary Information	18
Item 10 – Other Financial Industry Activities and Affiliation.....	19
Affiliate Relationships	19
Other Financial Industry Activities	19
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	20
Code of Ethics	20
Participation or Interest in Client Transactions.....	20
Personal Trading	20

Item 12 – Brokerage Practices	21
Recommendation of Brokers	21
Directed Brokerage	22
Duty to the Client	22
Block Trades	22
Valuation	22
Margin	23
Item 13 – Review of Accounts	24
Reviews and Reviewers	24
Reports	24
Other Client Communication	24
Item 14 – Client Referrals and Other Compensation	25
Client Referrals	25
Other Compensation	25
Benefits of NFS & First Clearing Relationships for BRWM and BRWA	26
Item 15 – Custody	29
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities	31
Item 18 – Financial Information	32

Item 4 – Advisory Business

About Us

We place the Client and the Financial Advisor as partners in the center of every decision we make as a Firm. We develop our products, services, and technologies to allow our Financial Advisors to provide the highest quality service in the industry to their clients.

National Asset Management, Inc., a subsidiary of National Holdings Corporation, changed its name to B. Riley Wealth Advisors, Inc. in August 2022 following the acquisition of National Holdings Corporation by B. Riley Financial, Inc. National Holdings Corporation is a wholly owned subsidiary of B. Riley Financial, Inc.

This Brochure is designed to provide detailed and clear information relating to each item noted in the table of contents. Within this Brochure, we use the following terms:

- “We,” “us,” “our,” “Investment Advisor” or “Firm” refer to BRWA.
- “Financial Advisor,” “Representative,” “Investment Advisor Representative,” or “IAR” refers to the individuals that provide investment recommendations or advice on behalf of BRWA.
- “You,” “yours,” and “client” refer to clients of BRWA and its advisors.

BRWA provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations or other business entities, private funds, and pension and profit-sharing plans. BRWA offers its clients various programs to provide flexibility in investment strategy based upon the investor's financial goals, circumstances, and risk tolerance. Accounts generally have minimum account size requirements, which may be negotiable, depending on the client household, relationship, type, and size of the account. Fees are reflected on periodic statements issued by the Custodian no less frequently than quarterly. Advisory fees, including minimum fees as well as minimum account size, may be negotiable depending upon a range of factors including, but not limited to, account size and overall range of services provided.

Registration

BRWA is registered with the SEC as an investment adviser, and the Firm's Representatives are registered under applicable state law to provide investment advisory services on the Firm's behalf.

Supplemental Brochures

BRWA advisory services are made available to clients through individuals associated with BRWA as IARs. For more information about the IAR who provides advisory services to the client, client should refer to the Brochure Supplement for the IAR. The Brochure Supplement (“ADV 2B”) is a separate document that is provided by the IAR along with this Brochure before or at the time a client engages the IAR. If a client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or BRWA's Compliance Department.

Doing Business As (“DBAs”)

Most Representatives operate under their own “doing business as” (“DBA”) trade name and logo, which they use for marketing purposes and which may appear on client statements. Clients should understand that even though BRWA's IARs often operate under their own DBA, when those IARs offer or provide advisory services through BRWA, they do so under the supervision of BRWA.

Fiduciary Responsibility

When acting as an investment adviser and providing investment advisory services, the Firm is a fiduciary for its clients. As a fiduciary, the Firm must, among other duties, act in the Clients' best interests, place the Clients' interests ahead of its own, and make full and fair disclosure of all material facts, particularly conflicts of interest.

Acknowledgment of Our Fiduciary Status with Respect to Retirement Accounts

When any of our financial professionals provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Types of Advisory Services

BRWA offers a suite of investment advisory services designed to accommodate a wide range of investment objectives. These include advisory programs, financial planning and consulting, reporting solutions, and retirement solutions. BRWA provides the following advisory services for its clients:

A.) Advisory Programs

BRWA has multiple asset management programs (collectively, the "Programs") available for your use. Many Programs provide access to professional third-party money managers ("Managers") and others allow the IAR to guide your investment strategy. The Firm sponsors a few of these Programs but most are sponsored by a separate broker-dealer/registered investment adviser (all referred to as "Custodian"). Once an IAR has helped you determine your portfolio, they will help you select the Program that best suits your investment needs based on the fee structure (wrap vs. non-wrap) and the types of securities available.

To participate in any Program, you will need to establish a separate brokerage account with the appropriate Custodian. You will also enter an Advisory Agreement, including a Statement of Investment Selection, with BRWA which describes the investment advisory services to be provided, the terms and conditions of our advisory relationship, and the fees the Firm will charge. Your specific fee arrangement and payment terms are negotiable and will be explained to you before you sign the Advisory Agreement. You might also be required to sign an agreement with any Sub-adviser(s) chosen.

You or the Firm may terminate the Advisory Agreement at any time upon notice to the other party. However, termination will not affect any other liabilities or obligations incurred or arising from transactions effected for your account or actions taken prior to such termination. Neither will it affect agreements intended to survive termination, including the provision regarding arbitration, which will survive any expiration or termination of the Advisory Agreement. Upon termination, you shall have the exclusive responsibility to monitor the securities in the account, and neither the Firm nor Representative shall have any further obligation under the Advisory Agreement to act or to provide advice with respect to the account or those assets.

The following is a description of the Firm's Programs. The minimum initial investment for most Programs is \$25,000, unless stated otherwise. However, the minimum account size requirements may be negotiable depending on the client household, relationship, type, and size of the account. Please review the Firm's ADV 2A, Appendix I Wrap Fee Brochure ("Wrap Fee Brochure") for more details on the sponsored Wrap Programs (i.e., advisory programs in which advisory fees and execution fees are bundled).

i.) *Advisor-as-Portfolio Manager ("APM")*

Under the Advisor-as-Portfolio Manager ("APM") Program, BRWA, through an IAR, manages individual client accounts through various investments on a discretionary or non-discretionary basis. BRWA may allocate a portion of a client's assets to sub-managers. In this Program, BRWA utilizes Envestnet for administrative services, and in some cases for trading at the applicable Custodian through the Envestnet platform.

In the APM program, clients will pay an assets under management ("AUM") investment advisory fee ("AUM Fee"), as well as, depending on the Custodian and fee schedule selected, a separate annual account fee and transaction fees. The AUM fee is negotiated between the IAR and client using table listed below as a maximum. The fee schedule, including the administrative fee, is included in the Advisory Agreement or Statement of Investment Selection.

TOTAL ACCOUNT VALUE	MAXIMUM ANNUAL FEE
First \$250,000	2.50% ¹ to 2.75% ²
Next \$750,000	2.25% ¹ to 2.50% ²
Above \$1,000,000	1.75% ¹ to 2.00% ²
1 Transaction fees paid by client (non-wrap)	
2 No transaction fees paid by client- IAR may elect to pay the transaction fees (wrap).	

In addition to the AUM Fee, an annual account fee (typically \$75) will be charged either to the client or to the IAR based on the administrative/transaction fee schedule selected by the client. Transaction fees will either be included in the client's advisory fee or billed separately to the client depending on the fee schedule of the Custodian selected by the client.

The APM Program is operated as a directed brokerage. The client can select among the following Custodians: NFS (with brokerage through B. Riley Wealth Management, a BRWA affiliate), First Clearing (with brokerage through B. Riley Wealth Management, a BRWA affiliate), Schwab, Fidelity, TD Ameritrade, and any others BRWA may make available.

Additionally, BRWA offers a program for accounts held by a Custodian other than those listed above pursuant to which IARs provide advisory services with respect to variable annuity products, plans such as 401(k)s, 403(b)s, mutual funds, and retirement funds. The IAR provides investment advice regarding the investment and reallocation of assets among sub-accounts offered by the insurance company that issues a variable annuity, or investment options offered by 401(k)s, 403(b)s, mutual funds, and other plans in accordance with a client risk tolerance questionnaire. These services are offered on a discretionary or non-discretionary basis.

ii.) *B. Riley Fairfax Portfolios*

BRFP are model portfolios managed by the Firm which comprise of third-party managed exchange-traded funds, mutual funds, or stocks. The portfolios are continuously managed based on the portfolio's goal. Clients have the opportunity to place reasonable restrictions on the types of investments held in the portfolio. BRFP models are offered mainly through third-party broker-dealers (Custodians) or investment advisors. The models may be held in Separately Managed Accounts ("SMA"), Wrap or Non-Wrap Fee programs. These programs typically offer a wide array of investment managers from which the client can choose. B. Riley Fairfax Portfolios may be chosen through this program at select firms. When a client (or client's sponsor firm with discretion) selects an investment manager for an SMA, the client will usually grant the investment manager full trading discretion over the account. If BRWA is chosen to manage the client's SMA maintained at a sponsor firm, BRWA will provide investment management services on a discretionary basis to the client in accordance with the model portfolio selected.

iii.) *Programs Sponsored by Wells Fargo Clearing Services, LLC ("First Clearing")*

There are a number of programs sponsored by First Clearing including third-party managed and adviser managed. First Clearing performs all billing and reporting for these programs. The maximum allowable fee under these programs is 3%; however, the fee will be disclosed and acknowledged by the client prior to account inception. The First Clearing programs offered at this time include: Private Investment Management (PIM), Custom Choice, Asset Adviser, Personalized UMA, Private Adviser Network, Fundsources, & Customized Portfolios.

Third-Party Managed: BRWA Programs Operated Using the Envestnet Platform

BRWA offers multiple programs using Envestnet's Platform, with transactions executed through and assets held at Custodians selected by clients: the Private Managers Program for Separately Managed Accounts ("SMA"), the Unified Managers Program ("UMA"), and the Fund Strategists Portfolio ("FSP") program. Envestnet Asset Management, Inc. is an investment management firm that provides investment management and investment advisory services through independent investment advisors.

The processes for implementing these Programs, as well as Envestnet's process for selecting, evaluating, and monitoring approved Managers, are more fully described in Envestnet's ADV Part 2A. You may be restricted in your ability to directly contact and consult with Managers, but your IAR is available to address any questions, issues, or concerns regarding these Managers.

Under each of the Programs, discretionary authority is granted to manage assets held in the accounts, as well as to change Managers. However, BRWA and Envestnet will generally not exercise their discretion to change Managers. BRWA will recommend replacement of Managers at any time the client's investment objectives, as communicated to BRWA, change so as to make replacement appropriate or if BRWA believes the Manager is not performing as well as expected, or if a Manager is removed from the Program.

Envestnet Platform accounts are charged fees including, but not limited to, advisory, execution, custodial and reporting services, and Manager fees, when applicable. The AUM fee for these Programs, which should not exceed 2.75%, is negotiated between BRWA and the client and included in the Statement of Investment Selection for the Program.

Envestnet also offers these Programs as wrap fee programs. More information on this is available in our ADV 2A, Appendix I (Wrap Fee Brochure).

Envestnet operates these Programs as a directed brokerage subject to most favorable executive of client transactions. The client can select among the following Custodians: NFS (with brokerage through BRWM, a BRWA affiliate), Raymond James, Schwab, Fidelity, and TD Ameritrade. Mutual funds, ETFs, closed-end funds, unit investment trusts, and real estate investment trusts are collectively referred to throughout this document generally as a "Fund" or "Funds."

iv.) *Separately Managed Account ("SMA")*

For clients selecting the Private Managers Program for separately managed accounts, the client is offered access to an actively managed investment portfolio chosen from a roster of independent, third-party Managers from a variety of disciplines. An SMA is a portfolio of individually owned securities that can be tailored to fit the client's investing preferences. Clients may also select individual Funds through the SMA Program. Envestnet retains the Managers for portfolio management services in connection with the SMA Program through separate agreements entered into between Envestnet and the Manager on terms and conditions that Envestnet deems appropriate. The minimum account size for this program is \$100,000 per account for equity and balanced portfolios; \$250,000 for fixed income portfolios. The minimum for each mutual fund is \$2,500 per fund. Certain Managers may have higher or lower minimums than stated above in their sole discretion.

v.) *Unified Managers Program ("UMA")*

For clients using the UMA program, the client is offered a single portfolio that accesses multiple Managers and Funds, representing various asset classes, that is customized by the Representative on a discretionary basis. IARs further customize the portfolios by selecting the specific, underlying investment strategies or Funds in the portfolio to meet the client's needs. Once the IAR has established the content of the portfolio, Envestnet provides overlay management services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio. The minimum account size for the UMA program is typically \$150,000 per model allocation, which may be negotiable. Certain Managers in the Program may have minimums applicable to the sleeve that they manage.

vi.) *Fund Strategist Portfolio Program ("FSP")*

The FSP Program makes available asset allocation strategies of a variety of mutual fund and ETF Managers on a discretionary basis. Pursuant to a licensing agreement entered into with the Manager, Envestnet provides overlay management of the portfolios and performs administrative and trade order implementation duties pursuant to the direction of the Manager. Alternatively, accounts can participate in proprietary BRWA models offered through B. Riley Wealth Investment Solutions Discretionary Management (W.I.S.D.M.). This internally managed asset allocation program offers 24 Mutual Fund and ETF models. The account minimums are \$15,000 for mutual fund portfolios and \$25,000 for ETF portfolios.

Other Third-Party Managed Programs Available

vii.) *Morningstar Managed Portfolios, Brinker Managed Portfolios, & SEI Managed Portfolios*

The Morningstar Managed Portfolios Program is a program offered through Morningstar Investment Services, Inc. ("MIS"). MIS maintains a proprietary program consisting of various strategies of mutual funds, ETFs, and equity securities. Clients select their custodian for this program.

Brinker Capital offers a multi-asset class investment solution through their Core Asset Manager and Wealth Advisory programs. Brinker Capital's overall investment philosophy revolves around multi-asset class investing. These programs will include various strategies including investing in SMAs, mutual funds and ETFs as well as tailoring individual portfolios through a Brinker portfolio manager. The minimum for these programs begins at \$500,000 and fees may vary depending on account size. NFS is the custodian and clearing platform for Brinker Capital accounts.

SEI offers multiple investment strategies to fulfill the goals and objectives of the client. These strategies cover tax-managed, retirement income distribution, and tactical diversification to meet the needs of a client. The available strategies are offered through mutual fund, ETF, and managed account programs which SEI custodies directly.

B.) Financial Planning & Consulting Services

Certain IARs provide personal financial planning tailored to the individual needs of the client. Financial planning services are billed either on a flat fee basis or an hourly rate as negotiated between the IAR and the client. Pursuant to the client Agreement, BRWA develops a financial plan, which provides client with a financial analysis and recommendations or provides other financial planning services in addition to or in lieu of a financial plan. The services take into account detailed information about your personal and family situation, financial condition, investment objectives, risk tolerance, time horizon, estate and retirement plans, trust agreements, wills, investments, and insurance. Based on this information, an IAR will prepare a written financial plan to help you achieve your financial goals and objectives. However, when appropriate, IARs may agree to provide specific advice on a more limited topic such as:

- budgeting,
- estate organization,

- income tax and spending analysis,
- cash needs at death,
- income needs of surviving dependents,
- analysis of retirement strategies, or
- analysis of investment alternatives.

If the client elects to engage the IAR, the planning services may include recommendations regarding the types of investment products or securities that may be appropriate for the client to consider, along with various financial strategies by which certain investment recommendations can be implemented. If a financial plan includes recommendations regarding investments, the client has a choice where to implement those recommendations and can use investment advisors or broker-dealers other than BRWA or its affiliates. You are under no obligation to purchase any products or follow any course of action recommended by an IAR. Further, the Firm does not provide any legal advice to Clients.

C.) Legacy – Advisor to Private Funds

BRWA previously provided investment advisory services to private funds. The detailed terms, strategies, and risks applicable to investors in the private funds are described in the private fund's organizational documents and offering memorandum. BRWA does not recommend fund interests for client advisory accounts.

Assets Under Management

As of August 2022, B. Riley Wealth Advisors manages approximately \$5,200,000,000 in client assets on a discretionary basis and \$2,000,000,000 in client assets on a non-discretionary basis.

Item 5 – Fees & Compensation

General Fee Practices

The specific manner in which fees are charged by BRWA is established in the Advisory Agreement and/or Statement of Investment Selection.

The AUM and administrative fees are deducted automatically from the account quarterly in advance. The initial AUM Fee for the first calendar quarter or part thereof in which the client participates in the Program is calculated based on the assets in the account and prorated based on the number of calendar days remaining in the partial quarter from the date the account is accepted by BRWA. Thereafter, the Program Fee is calculated at the beginning of each calendar quarter based on the value of Program Assets on the last business day of the prior calendar quarter. However, if an account is opened in the last month of a calendar quarter, the Program Fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on or about the day after initial Program Assets are placed into the Program. If the Advisory Agreement is terminated and all Program Assets are withdrawn from the Program prior to the end of a quarter, the pro rata portion of the Program Fee will be reimbursed to the client.

BRWA will receive the AUM fee (wrap or non-wrap) and/or the Financial Planning/Consulting Fee. It will share this compensation with your IAR according to the Firm separate agreement with IAR. It is possible that the amount of compensation received, directly or indirectly, by the Firm or IAR in recommending a particular fee arrangement may be more than the amount of compensation the Firm or IAR would receive if they recommended another investment program.

AUM Fee

AUM Fees and certain account terms are negotiated on a case-by-case basis, depending on many factors, including the nature and complexity of the service, your relationship with the Firm and Representative, the requirements of the IAR, the size of the account, the potential

for other business or clients, the amount of work anticipated, and the time needed to manage an account among other factors. The Firm has a maximum allowable AUM Fee of 2.75% per year in Firm sponsored Programs.

Under the Wrap Fee Programs, BRWA charges a percentage fee on all Program Assets. The fee covers all expenses for brokerage, clearance, settlement, and custodial services as well as all investment advice. Your Advisory Agreement will state the specific Wrap Fee applicable to your Account. For more details on the Wrap Fee and Wrap Programs, please see our ADV 2A, Appendix I (Wrap Fee Brochure). The method for calculating the Wrap Fee for each Wrap Fee Program is described in the Wrap Fee Brochure.

Please note if a Sub-adviser is engaged, your fees may be higher than the fees you would have paid if it had not been engaged. Sub-advisers may not be willing to negotiate their fees, and the Firm is not authorized to negotiate their fees. You should carefully review each Sub-adviser Disclosure Document, the chosen Program's separate Wrap Fee Brochure and the Advisory Agreement before investing.

The Wrap Fee does not cover amounts charged for any of the following (Excluded Items): internal fees or expenses which may be associated with the account's investments (including without limitation, internal operating or investment expenses of mutual funds, unit investment trusts, or electronically traded funds); fees imposed by mutual funds for short-term trading (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time; any mark-up, mark-down, or dealer spread (whether to the Firm, Custodian or other broker-dealers) related to any account investment; offering discounts and related fees in connection with underwritten public offerings of securities (of which the Firm, our affiliates or Custodian may be underwriters); costs to third parties for transactions not executed through Custodian; floor brokerage or exchange fees; fees for wire transfers; costs for exchanging currencies; margin interest; interest for non-purpose loans with the account(s) used as collateral; taxes; postage and handling fees; or other expenses

incurred with respect to any investments made for the Account. All the Excluded Expenses will be direct or indirect expenses borne by the Account and will be in addition to the Wrap Fee.

In addition to the Wrap Fee, you will also be responsible for any other fees and charges described in the Advisory Agreement, as well as any fees charged pursuant to the agreement with a Sub-adviser, if any, and any other applicable fees or charges described in this Brochure or in any agreement with the Custodian or other third parties.

You should consider all fees and expenses to fully understand the total amount of fees and expenses to be paid by the account and to evaluate the advisory services being provided. The fees and expenses related to Money Market Funds or Mutual Funds or ETFs are disclosed in their respective prospectuses. When you choose to participate in an advisory program, you acknowledge that you could purchase Money Market Funds or Mutual Funds or ETF's directly without paying the Wrap Fee.

For Non-Wrap Fee accounts, the Firm charges a percentage fee on all Program Assets that covers the investment advisory services provided by the Firm. You pay a separate fee to a Custodian for brokerage, clearing, and custodial services. To determine whether a non-wrap fee relationship is suitable, you should evaluate the fee paid to the Firm for investment advice, as well as the anticipated fees to be charged by a third-party Custodian for brokerage and custodial services considering your personal circumstances. You may pay more in total fees in a non-wrap relationship compared to the fees you would pay in a Wrap Fee Program that provides for one fee for the combination of advisory, brokerage, and custodial services

Financial Planning & Consulting Fee

Each IAR establishes the fee schedule for the financial planning he or she provides. You and Representative will negotiate the fee schedule before entering into a planning or consulting arrangement. Fees for financial planning may be charged on an hourly basis, and the standard Firm rate is \$200.00/hour. Fees may also be negotiated as a fixed one-time amount. Ongoing consultation fees may be calculated as a percentage of assets and collected quarterly.

Fee discounts are allowable and will vary depending upon 1) the IAR who provides the services; 2) the complexity of your situation and the services to be provided; 3) prior or anticipated relationships; and 4) the possibility for additional business, as determined by the Representative within their discretion. All Agreements must be approved by the Firm.

Financial Planning arrangements terminate upon completion of the services described in the Advisory Agreement. You may terminate the Agreement at any time and will receive a prorated refund of the Fee based on the proportion of the total services you're your Representative has performed through the date the Firm receives written notice of such termination. Consultation services end when the Firm receives written notice of your desire to terminate the arrangement.

Additional Fees or Compensation

Additional fees, which will be separately borne by clients, include: (i) dealer markups, markdowns or spreads by non-affiliated broker-dealers charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that are imposed by any collective investment vehicles ("Collective Investment Vehicles"), such as mutual funds and closed-end funds, UITs, ETFs, or REITs (such as fund operating expenses, management fees, redemption fees, 12b-1 fee and other fees and expenses) or other regulatory fees; further information regarding charges and fees assessed by Collective Investment Vehicles can be found in the appropriate prospectus or offering document; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the Custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law; and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC") imposed upon the liquidation of "in-kind assets" that are transferred into the Program. In addition to the redemption fees described above, a client will generally incur

redemption fees when the Advisor determines that it is in the client's overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Funds prior to the expiration of the minimum holding period of the funds. Some mutual funds also assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

The Program fees do not cover certain custodial fees that are charged to clients by the Custodian. A Custodian might charge a minimum account fee. Clients also may be charged for specific account services, such as ACAT transfers, electronic fund, and wire transfer charges, and for other optional services elected by clients. Similarly, the Program fees do not cover certain non-brokerage-related fees such as individual retirement account ("IRA"), trustee or Custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs). To the extent permitted by law, Brokers can act on a principal basis. The Broker would retain any mark-ups, mark-downs or "spreads" associated with any such transaction in which it acts as principal. In limited cases, with prior client consent, BRWA affiliates can act as principal.

Private Funds

Fees associated with private funds for which BRWA acted as advisor may include an annual management fee or carried interest and are governed by the Investment Management Agreement between BRWA and the Fund's Manager. In addition, each private fund pays operations expenses and other costs of the fund. Details regarding the fees and costs associated with each private fund are detailed in the specific fund documentation.

Conflicts of Interest

Unless specifically excluded by the terms of the Advisory Agreement, account balances in the Money Market Funds are included as part of the value of the account. Consequently, any AUM fees owed under the Advisory Agreement will be based, in part, on the balances in these

investments. In addition, Custodian may serve as adviser, sub-adviser, distributor, or administrator to the Money Market Funds and receive compensation for those services. The Money Market Funds may also pay shareholder servicing, shareholder communication, sub-accounting, and 12b-1 fees and charges to Custodian, as well as fees for the execution of purchases of fund shares, or for trade clearance, settlement, custodial or other functions ancillary thereto. These fees and charges are expenses of the Money Market Funds, which you will bear, indirectly, as a fund shareholder.

The Firm's proportionate share of this compensation will increase as the aggregate balances in the Money Market Funds or other depository products increase. Consequently, the possibility of this compensation creates an incentive for the Firm to make decisions for the Account which would have the effect of increasing this compensation.

It is possible that the compensation received, directly or indirectly, by the Firm or the IAR for recommending a Wrap Fee Program may be more than the compensation the Firm or IAR would receive if they recommended another program. Consequently, the Firm and IAR would have a financial incentive to recommend a wrap program over other programs or services that might meet your needs at a lower cost (such as, mutual funds, ETFs, or fee-plus-commission arrangements).

Please note that the amounts charged to your account for services, fees, expenses, or costs that the Firm has performed, incurred, advanced, or paid on the account's behalf (whether billed to you, the account, or the Firm) will include a reasonable profit, unless prohibited under the Advisory Agreement or applicable laws, regulations, or rules.

The existence of this profit creates a conflict of interest that could influence the Firm to recommend opening or maintaining Accounts that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to the Firm or the Representative.

If you choose to participate in a cash sweep program, you may pay more in Program fees than the interest earnings that may be

generated by these cash and cash equivalent assets.

Smaller accounts may be affected more due to fee structures that favor larger accounts. There are differing risks and account protection features between the sweep options. For further information about the cash sweep options, including fees associated with the sweep

products, please review the Client Account Agreement, which is provided by the Custodian at the time the brokerage account is established. Additional information about the Money Market Funds is found in their prospectuses.

Item 6 – Performance Based Fees and Side by Side Management

In general, the Firm does not charge or accept performance-based fees. However, BRWA receives compensation from certain legacy private funds in the form of carried interest. Carried interest arrangements are described in detail in each private fund's offering memorandum and operating agreement.

Item 7 – Types of Clients

BRWA provides investment advisory services to individuals, high net worth individuals, pension plans, profit sharing plans, 401(k) plans, trusts, estates, charitable organizations, corporations, and other business entities. Advisory accounts generally have minimum account size requirements of \$25,000, which is negotiable, depending on the client household, relationship, type, and size of the account.

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

Methods of Analysis

Each IAR has access to various research reports and model portfolios to which he or she may refer in determining investment advice provided to clients. Each IAR chooses his or her own research methods, investment style, and management philosophy. Accordingly, the investment advice provided to each client varies from one IAR to another.

It is important to note that no methodology, investment style, or investment strategy is guaranteed to be successful or profitable or can guarantee a client against loss. The investment strategies and advice varies depending upon each client's specific financial situation. As such, IARs determine investments and allocations based upon clients' predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Clients' restrictions and guidelines can affect the composition of client portfolios. BRWA IARs use a variety of investment analysis techniques to analyze the securities they purchase or sell on behalf of clients, which might include: fundamental research, charting, technical analysis, cyclical analysis, and asset allocation.

Representatives may also utilize and rely on research reports from the Research Department of our affiliate broker-dealer, B. Riley Securities.

Investment Strategies

As a Firm, BRWA does not establish and follow any investment strategy, other than as may be set forth in a particular Wrap Fee Program. Aside from any Wrap Fee Program parameters, each IAR may determine the strategies and products to be used to achieve the objectives of the account. Subject to the Advisory Agreement, including the Statement of Investment Selection, or as otherwise provided in this Brochure or in any disclosure document, the chosen strategies may include, among others, long-term purchases, short-term purchases, day-trading (securities bought and sold within 30 days), short sales, margin transactions, or option transactions or strategies. Each IAR may choose to use any one or more of these or other strategies. If a Sub-adviser or other Manager is engaged to provide services under a Program, the Sub-adviser or Manager will determine the strategies and investments to be used with respect to any account it manages.

Risk of Loss

You should understand that past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (i.e., stocks, mutual funds, bonds, etc.) involves risk of loss. Furthermore, depending on the different types of investments, there may be varying degrees of risk. You should be prepared to bear investment loss including the loss of your original principal. Because of the inherent risk of loss associated with investing, the Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

An understanding of risk in different forms can help clients understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of BRWA or the integrity of BRWA's management.

- On March 11, 2019, National Asset Management, Inc., ("BRWA"), along with 78 other investment advisers who voluntarily participated in the Securities and Exchange Commission's ("SEC") Share Class Selection Disclosure Initiative ("Initiative"), consented to a final resolution through an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Order"). Through the Initiative, BRWA self-reported certain instances from January 1, 2015 to June 10, 2017 ("Relevant Period") where BRWA purchased, recommended, or held for advisory clients' mutual funds that charged 12b-1 fees when lower-cost shares of the same fund were available. BRWA and its advisers earned 12b-1 fees from these funds and this created a conflict that BRWA did not fully disclose to its clients through its Form ADV or disclosure documents. The SEC found this practice violated Sections 206(2) and 207 of the Advisers Act. To resolve the issue, and without admitting or denying the findings, BRWA consented to cease- and desist this practice, to pay disgorgement of \$664,006 and interest of \$69,417. BRWA distributed these funds to each affected investor who purchased or held shares during the Relevant Period, in an amount representing the 12b-1 fees, plus interest. Payment distribution was subject to a *de minimus* threshold, and subject to a review by the SEC. Additionally, BRWA agreed to update its relevant disclosures related to 12b-1 fees, evaluate whether existing clients should be moved to lower-cost shares, and notify affected customers of the settlement terms. Because BRWA self-reported this violation to the SEC, no civil penalties were imposed. The full Order may be found at <https://www.sec.gov/>.
- On October 26, 2015, National Asset Management, Inc. ("BRWA") consented to an Order of the U.S. Securities and Exchange Commission ("SEC") in an administrative proceeding initiated under the Investment Advisers Act of 1940 ("Advisers Act"). As described in the Summary section of the Order, the proceeding concerns several disclosure and compliance- related violations and events during the years from 2008 through 2012. The Order found that BRWA (1) failed to disclose to advisory clients in writing or obtain client consent to over 21,000 securities trades executed in a principal capacity, (2) failed to report in its SEC filings and timely disclose to clients the disciplinary histories of several of its associated persons, (3) failed to properly enforce its Code of Ethics when its then CEO, several directors, and many of its employees failed to submit hundreds of required reports on their personal securities trading to BRWA, (4) failed to adopt and implement compliance policies and procedures reasonably designed to prevent violations of certain provisions of the Advisers Act and the rules thereunder, and (5) failed to conduct one required annual review of its compliance policies and procedures. BRWA agreed to the imposition of a censure, a civil monetary penalty of \$200,000, and certain undertakings, including the appointment of an independent compliance consultant to review and make recommendations regarding certain parts of BRWA's compliance policies and procedures. The Order did not find an intent to deceive. It did find that BRWA refunded to its clients the inappropriately assessed markups and markdowns on the 21,000 trades, took prompt remedial action, and cooperated with the SEC's investigation.

Item 10 – Other Financial Industry Activities and Affiliation

Affiliate Relationships

B. Riley Wealth Advisors is affiliated with B. Riley Wealth Management, Inc. ("BRWM"), a FINRA registered broker-dealer. This is material to our advisory business because a majority of BRWA's advisory accounts are held by BRWM as introducing broker-dealer to its clearing firms, First Clearing and NFS. BRWA's principal executive officers and most of its IARs are also Registered Representatives of BRWM. Your IAR will take into consideration all types of accounts that could be offered (i.e., both brokerage and advisory accounts) when making the recommendation of an account that is in your best interest.

BRWM executes orders received from BRWA clients on an agency basis and receives revenue from transaction fees. BRWA uses certain BRWM facilities, administrative systems and technology, and does not currently fully reimburse BRWM for the cost of those services. BRWM receives revenue generated through trade execution, margin interest, etc. for accounts it holds.

Additionally, certain Firm employees provide tax/accounting services and insurance products through affiliated entities. Tax and accounting services are offered through B. Riley Wealth Tax Services, Inc. Fixed insurance products are offered through B. Riley Wealth Insurance, Inc. IARs may be authorized to offer and sell some or all of the following insurance products: fixed life & annuities, disability, long term care, and employer benefit products. Service arrangements with our affiliated entities present a conflict of interest because we have a financial incentive to recommend our affiliates' services. See Item 12, "Brokerage Practices." For example, a Representative whose client purchases an insurance product will receive commissions, deferred sales charges, on-going servicing fees, and other compensation because of a client's purchase of the insurance product. Consequently, these Representatives have a conflict of interest in recommending their client purchase insurance products.

Please be aware that you are under no obligation to engage BRWM as a broker-dealer,

to effect securities transactions, or to purchase any other products from or through an affiliate or any of the Representatives acting on its behalf.

Other Financial Industry Activities

BRWA may act as a solicitor and refer some BRWA clients to other Registered Investment Advisors. In doing so, BRWA receives a portion of the fees charged by those Advisors, which varies depending on the solicitor arrangements with each one. IARs receive a portion of the asset management fees paid to BRWA by these Advisors.

The Firm or its Representative may also be engaged to provide third-party fiduciary or related advisory services outside a traditional wrap fee arrangement. In this case, additional fees for these related services will be detailed under a separate agreement and shared between the Firm and the Representative providing such services. You have no obligation to accept such services.

The Firm and Representative will devote as much time as they believe necessary to help you achieve your investment objectives. They will not devote all or any specific portion of their working time to your affairs, and they may devote a portion of their time to other matters. Further, the Firm and its affiliates as well as IARs may organize or become involved with other clients or in other business ventures, including other investment-related businesses. Such other businesses and the clients of such businesses may compete for the time and attention of the Firm principal executive officers and Representatives, and possibly, for limited investment opportunities, all of which can create conflicts of interest.

Please refer to the Conflicts of Interest section in Item 5 for further information with respect to compensation and conflicts of interest involving the Firm and IARs. Although the Firm and IARs will endeavor to place your interests first, the conflicts of interest described in this Brochure can influence the recommendations made or actions taken regarding your Account.

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

Code of Ethics

BRWA has adopted a Code of Ethics expressing the Firm's commitment to ethical conduct. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on trading on the basis of inside information, restrictions on the acceptance of significant gifts, and the initial, quarterly, and annual reporting of personal securities holdings and trading activity, among other things. All supervised persons at BRWA must acknowledge the terms of the Code of Ethics annually, and when it is amended. BRWA's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting BRWA's Chief Compliance Officer at the Firm's principal address.

Participation or Interest in Client Transactions

Officers, directors, IARs, and other supervised persons of BRWA, and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for BRWA's clients and at or about the same time as clients, subject to applicable laws. Trades by certain of these persons may present a conflict of interest. BRWA addresses the conflicts through supervisory reviews that monitor whether an IAR's or other access persons' personal trading is consistent with recommendations made to clients, and pro rata allocations. See Item 12, Block Trades, for more information.

In limited cases, with prior client consent, BRWA affiliates may act as principal or permit cross trades.

Personal Trading

The Firm or any of its licensed professionals may act as an investment adviser for others, may manage assets for others, may own investments in its or their own names, and/or may serve as an officer, consultant, partner, or stockholder of one or more investment partnerships or other businesses. All such activity is subject to compliance with the Firm's Code of Ethics and other written procedures. In doing so, the Firm or such persons may give advice, take actions, or refrain from taking actions differing from advice given, actions taken, or actions not taken for any client.

.

Item 12 – Brokerage Practices

Recommendation of Brokers

As discussed in Item 10 above, BRWA generally uses our affiliated broker-dealer, B. Riley Wealth Management, which introduces accounts to its clearing firms. BRWM and any other broker-dealers or custodians utilized relating to a Program are referred to as a "Broker/Custodian."

When selecting Brokers/Custodians for its Programs, including BRWM & its clearing firms, BRWA considers the following:

- Execution factors, including execution speed, execution percentage within national best bid and offer, and execution percentage with price improvement;
- Quality of overall execution services provided by the Broker;
- Creditworthiness, business reputation and stability of the Broker;
- Ability and willingness to correct trade errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market venues;
- The Broker's custodial service quality and trading platforms; and
- Ticket charges by the Broker.

BRWA does not have any traditional soft-dollar arrangements. However, as discussed below and throughout this Brochure, BRWA and its affiliates receive benefits from some of its relationships with Custodians, which it does not have to produce or pay for, and BRWA has an incentive to recommend a Broker based on our interest in receiving the benefits, rather than on clients' interests in receiving most favorable execution.

BRWA's affiliated broker-dealer, BRWM, and its clearing firms may receive compensation or other consideration for routing orders to particular Brokers/market centers for execution. Those Brokers provide reports (Rule 606 reports) regarding order routing practices, which identify the significant venues, as defined in the rule, where orders were routed in listed equity securities and listed options, as well as order routing details. The quarterly routing reports are available on the Broker's websites.

BRWA does not have discretion to select which Brokers are used to execute trades (except in the case of its exercise of discretionary authority in management of the legacy private funds). However, BRWA works with a selected group from which its clients can choose, and clients who select certain Programs must use particular Brokers/Custodians. Based on the client's selection, all trades for their accounts are then placed through that Broker. BRWA will require that each client open an account with the applicable Custodian by entering into an account agreement directly with them.

Clients may establish brokerage accounts with the following unaffiliated broker-dealers to maintain custody of the account's assets and to effect trades:

- Charles Schwab & Co., Inc.
- Fidelity Institutional (IWS)
- TD Ameritrade Institutional
- Raymond James & Associates

As described for certain Programs in Item 4, National Financial Services, LLC ("NFS") and Wells Fargo Clearing Services, LLC ("First Clearing") act as the clearing firm/Custodian for BRWM. The client holds a brokerage account with BRWM, with trades routed for execution directly by NFS or First Clearing. BRWM maintains clearing arrangements with NFS and First Clearing that permit execution of transactions at negotiated clearing rates and use by BRWM of trading and operations systems provided by NFS and First Clearing, including research, account look-up, and reporting and presentation software. BRWA's affiliates also receive certain discounts from NFS and First Clearing, which vary depending on the volume of trades BRWM originates. This could give BRWA an incentive to generate more frequent trading in clients' accounts, and to direct trading through BRWM/NFS or BRWM/First Clearing.

In addition, BRWM receives revenue from NFS and First Clearing on client cash balances in money market funds, free credit balances, and margin debits. By receiving the benefits from NFS and First Clearing described above, BRWA/BRWM receives a benefit by virtue of transaction fees paid by clients to BRWM/NFS and BRWM/First Clearing. Accordingly,

BRWA has an incentive to recommend BRWM/NFS or BRWM/First Clearing based on its interest in receiving those products, services or fees, rather than on clients' interests in receiving most favorable execution.

Directed Brokerage

BRWA operates its Programs as a directed brokerage meaning that in the Advisory Agreement you agree to direct all purchases, sales, exchanges, redemptions, or other transactions for the account through a named Broker. BRWA does not require a client to utilize a particular Broker/Custodian and currently has relationships with a number of Brokers/Custodians (listed below) that provide brokerage, clearing, and custody services to clients in the Programs. The choice of which Broker/Custodian to utilize is determined by the client in consultation with their IAR, and a client enters into a separate Custodial/Clearing Agreement with the selected Broker/Custodian.

Please be advised the Firm's requirement to place all transactions through a selected Broker/Custodian is a material conflict of interest. Not all advisers require clients to direct brokerage. Clients should understand that as different custodians have different transaction fee schedules for different types of clients and securities. BRWA believes that there is no inherently superior custodial platform based on transactional fees alone. In addition, the price for transaction execution represents just one factor among many in selecting available Custodians for its Programs. An IAR has a fiduciary duty to clients and is not permitted to place a client in a Program based on the IAR's interests or the interest of BRWA or its affiliates.

In some cases, advisors for which BRWA acts as Sub-advisor direct BRWA to use a specific Broker for execution. An obligation to use a particular custodian because of contract or operational limitations may limit the ability to achieve best execution.

Duty to the Client

The Firm will monitor the account and the quality of the execution and other services provided by the Brokers to evaluate the quality and costs of the services provided by the

Brokers. BRWA, on an annual basis, evaluates Brokers currently utilized, using the above factors, and in that connection reviews best execution reports provided by the account custodians that demonstrate their own compliance with best execution requirements and order routing. In evaluating the use of affiliated brokers, BRWA assesses the above factors in the same manner as any other broker-dealer. Affiliated firms may not be favored over unaffiliated broker-dealers.

Block Trades

We may combine certain multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We then distribute a portion of the shares to participating accounts in a fair and equitable manner. We do this to obtain, to the extent possible, the optimal execution for clients. The distribution of the shares purchased is typically pro rata based on size of the orders placed for each account. It is not based on account performance or the amount or structure of management fees. When BRWA IARs combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by IARs associated with our Firm are permitted to participate in block trading with client accounts and receive pro rata allocations.

Valuation

Except as otherwise provided in an Advisory Agreement, the "value" of an account (and any asset of the account) in any of the Programs will be the sum of the long and short market values of all cash and securities (including without limitation stocks, bonds, mutual funds, money market funds, and ETFs), and the credit balances and cash balances in any Depository Product or similar bank demand deposit account. Margin debit balances do not reduce the value of the account. In determining values, the Firm will use the prices as of the close of trading on the trade date nearest to the date such valuation is being calculated, as reported by the chosen Custodian through the electronic information system provided to the Firm.

If values are not available from the Custodian or if the Firm believes a reported value does not accurately reflect the fair value of the account or any asset of the account, the Firm will consider the following, among other information, in determining the fair value:

- the bid prices of the last recorded transaction for listed securities, options, and over-the-counter NASDAQ securities;
- the mutual fund's most recently reported net asset value, as computed by the fund.

We will utilize information provided by services believed to be reliable. If any prices are unavailable or believed to be unreliable, we will determine prices in good faith to reflect our understanding of fair market value.

Margin

If you choose to use margin, you should be aware that the margin debit balance will not reduce the market value of the account's assets and will therefore increase the AUM fee. The increased AUM fee may provide an incentive for the Firm and Representative to recommend portfolio strategies or third-party Managers who use margin strategies.

The use of margin is not suitable for all investors, since it increases leverage in the account and therefore its risk. Please see the Margin Disclosure Statement and the account's Terms and Conditions for more details on the risks of margin use.

Item 13 – Review of Accounts

Reviews and Reviewers

The Firm considers account reviews a continuous process, with the frequency and nature of the review dependent on several factors and situations, such as: whether the account is managed on a discretionary basis, the buying or selling of a security, balancing gains/losses for tax planning, raising or lowering cash based on market conditions, investing new capital contributions, and adjusting overall portfolio composition to maximize returns given current market conditions.

At various times, depending on the nature and reason for the review, the Firm may review the suitability of the Program in which the account participates, the securities held within the account and your financial resources and time horizon ("Suitability Information"). The Firm employs branch office managers who are responsible for performing reviews quarterly and the number of accounts assigned to each manager depends upon the size of the branch. The Firm additionally has established a centralized Supervision Department to assist the branch office managers in these duties. The Firm uses electronic review systems that record all daily transactions and searches for trades that violate certain of its procedures. The Firm's Compliance Department will periodically review these systems and a sampling of the transactions it records to make certain it continues to alert the Supervision Department to possible procedural violations.

Reports

All clients (other than financial planning clients) will receive the following reports from the Custodian:

- confirmation of each securities transaction (unless the client waives receipt);
- all other documents required by law to be provided to security holders; and

- a quarterly statement reflecting all activity in the account during the preceding period, including all transactions made on behalf of the account, all contributions and withdrawals, all fees and expenses, and the value of the Account at the beginning and end of the period.

The Advisory Agreement for some Programs may provide for additional reports. Accounts will receive performance or other reports only as specifically provided in the Advisory Agreement.

Other Client Communication

At least annually, your Representative will contact you to determine whether there have been changes in the Suitability Information, including whether you wish to impose new investment restrictions or modify existing restrictions to the extent allowable under the terms of a particular investment strategy or Program. IARs and the Firm will make themselves reasonably available for consultation.

You will retain, with respect to all securities and funds in the account, to the same extent as if you held the securities and funds outside of the Program, the right to:

- withdraw securities or cash;
- vote securities or delegate the authority to vote securities to another person;
- proceed directly as a security holder against the issuer of any security in the account and not be obligated to join any person involved in the Program or any other client, as a condition precedent to initiating such proceeding.

The accounts of clients receiving financial planning services will be reviewed, if at all, as provided in the Agreement. The review will be conducted by the IAR, unless otherwise stated in the Agreement. Financial planning clients will receive only the reports described in their Agreement.

Item 14 – Client Referrals and Other Compensation

Client Referrals

If your IAR refers you to another IAR for investment advisory services, both will share in the fees paid by the account, in such proportions as they shall agree.

BRWA may from time to time pay compensation to affiliated or unaffiliated third parties (“Solicitors”) for referring clients to BRWA, as permitted under Rule 206(4)-3 of the Investment Advisers Act of 1940. Such arrangements are disclosed in writing to the client at the time the referral is made. Appropriate disclosure would be provided to the client in accordance with SEC rules and the Solicitor will be compensated by BRWA according to the specific terms of the compensation arrangement contained in the BRWA Solicitation Agreement.

BRWA may also receive compensation for acting as a Solicitor and referring you to a Third-Party Adviser. The amount of compensation will be determined in the agreement between BRWA and the Third-Party Adviser. BRWA will act as the Solicitor and deliver to you its Solicitor’s Disclosure Document at the time of the referral.

Please note that payment of compensation to the Firm and IARs for recommending a Third-Party Adviser creates a conflict of interest. Although the IARs commit to acting in your best interests, the existence of such compensation could encourage them to make an unnecessary referral or cause them to withhold information about an alternative investment option that doesn’t provide equivalent compensation.

Other Compensation

In certain cases, clearing firms or other broker-dealers who participate in the Programs or who custody Program accounts (each a “Sponsor”) may agree to invest a portion of the revenues it earns from Program accounts through allowances to BRWA, the Representatives, and other advisers, broker-dealers, or representatives whose clients participate in the Programs.

The Firm may agree to provide the Sponsors with introductions to and information

concerning itself or the IARs and allow the Sponsors to participate in meetings and workshops. In addition, the Sponsors may agree to provide the Firm or IARs with organizational consulting, education, training, and marketing support.

A Sponsor may pay for annual conferences designed to facilitate and promote the success of the Programs. It may offer portfolio strategists, investment managers, or investment management firms (who may also be sub-advisers for mutual funds recommended by BRWA or IARs) the opportunity to contribute to the costs of the Firm annual conference and be identified as a sponsor of a portion of the conference. A Sponsor may agree to bear the cost of airfare for certain IARs to attend the Sponsor’s annual conference or to conduct due diligence visits to the Sponsor’s offices. In addition, a Sponsor may, from time to time, contribute to the costs incurred by the Firm regarding conferences or other client events conducted by the Firm or an IAR.

Furthermore, the Firm has a strong incentive to recommend (and to continue recommending) its investment products and services over other products and services which might provide better returns or better prices, but which do not provide equivalent compensation or economic benefits to the Firm. BRWA intends to fulfill its fiduciary duty to act in the best interests of its clients; however, these strong economic incentives could, consciously or unconsciously, influence its decision-making. You should consider the risk from these influences on the Firm’s recommendations when deciding to begin or continue a relationship with the Firm.

Other advisers may be able to provide the same or similar services without the presence of these conflicts of interest.

Other advisers or custodians may be able to provide the same or similar services for a lower cost or obtain better prices or performance.

Additionally, the Firm depends, in part, on business referred to it by its IARs. As such, it has a strong financial incentive to maintain or improve its relationships with the IARs so that they continue to make referrals.

Benefits of NFS & First Clearing Relationships for BRWM and BRWA

For a number of our Programs, BRWA has a conflict of interest when recommending BRWM as introducing broker and First Clearing or NFS as clearing brokers (hereinafter "Clearing Firms"). An increase in the number of accounts, amount of assets, or number of transactions processed through First Clearing or NFS will at certain levels, help BRWM meet its minimum monthly clearing fees. This is an economic benefit to BRWM, even if no additional commissions are charged. In addition, BRWM receives other fees from its Clearing Firms such as rebates on money market or margin account balances, which are based on the number and size of the accounts and balances carried with First Clearing and NFS.

Dual Registration: An IAR associated with BRWA may also be registered with BRWA affiliate, B. Riley Wealth Management, Inc., a registered broker-dealer, and may render securities brokerage services through that broker-dealer under a commission arrangement. Clients may elect to effect securities transactions outside of their advisory accounts through certain BRWA's IARs in their respective individual capacities as Registered Representatives of BRWM. BRWM may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by BRWM to the IAR in his/her capacity as a Registered Representative of BRWM. A client who wishes to obtain such brokerage services would be required to enter into a brokerage account agreement with BRWM. The brokerage commissions charged by BRWM may be higher or lower than those charged by other broker-dealers.

Dually registered IARs might receive, through BRWM, compensation from the sale of mutual funds, including ongoing 12b-1 fees (trails). Dual registration presents a conflict of interest and gives IARs an incentive to recommend investment products based on the compensation received, rather than on a client's needs. However, if a client establishes both an advisory account (advised by BRWA) and a brokerage account (through BRWM), the client and the IAR will establish the types of transactions that will be made in each account.

Mutual Fund Share Classes: Mutual funds typically offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail mutual fund share classes (e.g., Class A, B & C shares), mutual funds may also offer institutional or advisor share classes (the "lower cost share classes") or other share classes that are designed for purchase in an account enrolled in an investment advisory programs. These lower cost share classes usually have a lower expense ratio than other share classes.

BRWA and its IARs who are dually registered with BRWM have a financial incentive to recommend or select share classes that have higher expense ratios because such share classes generally result in higher compensation. This creates a conflict of interest.

Clients may be invested in other higher cost share classes with higher internal expenses when no lower cost share classes for a particular fund is available or the client is not eligible for the lower cost share classes due to the inability of the client to meet the investment minimums or any other restrictions imposed by the custodian.

Securities-Based Loans: A securities-based loan (non-purpose loan) is one through which a client can collateralize securities held in his or her brokerage account to borrow funds for uses other than purchasing more financial securities or to pay down margin loans. Our affiliate, BRWM receives, as a referral fee, a portion of the interest paid on outstanding loan balances when the client establishes a securities-based line of credit. This creates an incentive for BRWM, BRWA, and its representatives to recommend that the client establish a securities-based line of credit as it represents a direct benefit for BRWM and its representatives, and an indirect benefit and conflict of interest for BRWA (and its IARs) as an affiliate sharing services and infrastructure (e.g., offices, staff, technology, etc.) with BRWM. While this can be a beneficial tool, it includes significant risks and may not be an appropriate option for every client. The client should carefully review the securities-based line of credit program information and paperwork before choosing to open a line of credit and borrow funds.

Transfer Cost Credit Program: BRWA affiliate BRWM's agreement with its Custodians (First Clearing and NFS) states that the Custodians will pay to BRWM transfer cost credits when new eligible advisors or Representatives transfer assets to the Custodian(s). The Custodians determines which representatives and advisors are eligible and what the transfer cost credit will be. This substantial credit is calculated as basis points on eligible assets that are transferred to the Custodian. This additional compensation received by BRWM creates a conflict of interest with BRWM and BRWA's clients because BRWM and BRWA have an economic incentive to use these Custodians for clearing and custody over other available custodians who do not share revenue with BRWM. Clients should speak to their advisor regarding custodial options and the associated costs incurred when transferring or opening an account with BRWA. Clients will incur costs from their prior custodians when moving their accounts to BRWA. BRWM, BRWA, and/or IARs generally do not reimburse clients for the costs they incur as a result of the account transfer recommended by the adviser, even when BRWM receives credits as part of the Transfer Cost Credit Program.

Margin Loans: When a client obtains a margin loan, that client is extended credit (a loan) for the purpose of buying securities. As described previously, this is first done by opening a brokerage account with a Custodian. For purposes of facilitating that margin loan agreement, the introducing broker will be BRWM, but the BRWA advisor will still be managing the client's account, including the securities purchased with the margin loan funds. The client will be paying a substantial interest charge on the loan amount. The interest is made up of the initial interest charged on the loan (the broker's call rate) and an additional interest charge determined by BRWM that is added on top of the broker's call rate. This additional charge is a mark-up that BRWM is adding as compensation for facilitating this loan agreement and to generate additional profit. The total interest charge to you (broker's call rate and BRWM markup charge) is shared between BRWM/NFS and BRWM/First Clearing. NFS and First Clearing credits BRWM a significant portion of this total amount of margin interest

income that they receive from margin account balances. BRWM benefits directly from the revenue sharing (by receipt of the shared margin interest), and BRWA benefits indirectly as an affiliate of BRWM sharing services and infrastructure (e.g., offices, staff, technology, etc.).

Bank Deposit Sweep Program: The Bank Deposit Sweep Program ("BDSP") is the default cash investment option for BRWA clients with accounts held at NFS or First Clearing. By opening an account with BRWA through its affiliated broker-dealer, BRWM, you authorize us to enroll you in the BDSP. You have the option to decline use of the BDSP as your default cash investment option. This BDSP is the core account investment vehicle used to hold your cash balances while awaiting reinvestment for eligible accounts. This program is called a "sweep" program because cash balances are automatically "swept" into this core account investment vehicle. The cash is then placed into interest-bearing FDIC-insurance eligible Program deposit accounts at one or more FDIC-insured financial institutions (Program Banks).

BRWA's affiliated broker-dealer, BRWM, receives a direct financial benefit by sharing in the revenue generated on your cash sweep deposits. The source of BRWM's revenue as part of this revenue sharing arrangement is obtained from the interest rates paid by the Program Banks to NFS or First Clearing for use of the client's cash deposits. NFS & First Clearing then pay BRWM based on aggregate brokerage and advisory account investments in the BDSP.

Additionally, BRWA advisors charge clients a management fee on the cash balance held in the BDSP. Given the low interest paid to clients, and after deducting the management fee paid by clients to IARs, clients receive a net negative yield on their cash balance. This is a significant disadvantage to participating in the BDSP, and BDSP revenue sharing paid to BRWM magnifies the negative yield clients incur on these investments in comparison to the yields clients could earn on cash investments outside of the BDSP. BRWM's receipt of revenue sharing reduces the interest that would have been paid to clients had such revenue sharing arrangement not existed.

It is important to review the “BDSP Disclosure Document” from NFS & First Clearing in conjunction with the disclosure and conflicts of interest described above to fully understand the revenue sharing arrangement and payments under this BDSP. You will receive this disclosure from NFS or First Clearing once your account is opened, but if you would like a copy beforehand, please request it from your IAR.

No Transaction Fee (NTF) Program: NFS offers a No Transaction Fee (NTF) Program composed of no-load mutual funds. Participating mutual fund sponsors pay a fee to NFS to participate in the NTF Program. Transactions in these NTF funds are executed without the imposition of transaction charges. As part of its clearing agreement with NFS, BRWM receives significant revenue sharing from NFS’s NTF Program based on its brokerage and advisory client assets invested in these NTF mutual funds. BRWM receives a higher revenue sharing percentage as the level of client assets invested in these NTF funds reaches certain thresholds.

While BRWM does not share this revenue directly with BRWA, a conflict of interest still exists for BRWA (and its advisors) as an affiliate of BRWM that benefits indirectly through the sharing of services and infrastructure with BRWM. Additionally, for wrap accounts, the advisor is generally responsible for covering transaction costs; however, through transactions in NTF mutual funds, the advisor does not have to absorb the transaction costs and is therefore incentivized to transact in NTF mutual funds when potentially lower cost share classes are available outside of the NTF Program.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds or securities. If an investment adviser can access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

The Firm is deemed to have custody of client funds or securities when clients have standing letters of authorization with their Custodian instructing the Firm to disperse assets or securities from the clients account to a third party.

The Firm will undergo a surprise custody examination by an independent auditor for those accounts that utilize third-party standing letters of authorization unless SEC rules permit the firm to forego the surprise audit requirement. Authorization to trade in client accounts (discretion) is not deemed custody.

For BRWA advisory accounts, client assets are maintained with a qualified Custodian as referenced earlier in the Brochure for each respective Program. The client will complete

account paperwork with the applicable Custodian. Clients will receive, at least quarterly account statements from the Custodian that holds and maintains client's investment assets, which will be sent to the email or postal mailing address provided upon account opening. The statement shows all transactions within the account during the reporting period as well as the deduction of our fee. Clients should notify BRWA, your Representative, or the Custodian directly of any discrepancies as soon as possible.

BRWA is deemed to have custody in the case of the legacy private funds. Funds and securities that are acquired in transactions not involving public offerings may be un-certificated with ownership recorded on the books of the issuer or its transfer agent in the name of the fund. Cash of the private funds is held with a qualified bank depository. Securities of privately held companies will be held by a qualified Custodian. Investors in such funds receive annual audited financial statements from a qualified accountant within 120 days of the end of the fiscal year of the fund and upon liquidation.

Item 16 – Investment Discretion

Whether BRWA, its IARs or third-party Managers have investment discretion depends on the Program selected by the client. Discretionary authority will be explicitly authorized through the completion of the BRWA Advisory Agreement and the Clearing Agent's trading authorization or limited power of attorney forms, if applicable. In certain Programs, you can grant the Firm and IAR, or third-party Manager, full discretion to select the securities, to designate the strategies, and to buy, sell, or otherwise effect securities transactions for the account without your prior notice or consent. The Firm will not manage your account on a day-to-day basis, and will not affect transactions for the account, except as the Firm deems necessary in the exercise of its supervisory responsibilities with respect to any Representative and its fiduciary duties.

Prior to signing the Agreement for any such Program, you will work with your IAR to identify the account's Suitability Information. You will also specify any reasonable restrictions you wish to impose on investments for the account. Any limitations on this discretionary authority and any reasonable restrictions you wish to place on the account must be included in the Advisory Agreement or on a separate Statement of Investment Selection. You may change or amend account limitations or restrictions at any time by submitting a signed writing indicating your desired changes.

All the Programs sponsored by the Firm may be discretionary. APM Program accounts can be established either with or without discretion as acknowledged by the client per the Advisory Agreement. FSP accounts utilizing W.I.S.D.M. models, and BRFP accounts are established with Firm-based discretion to facilitate trading to maintain your account in accordance with your elected portfolio model.

If you choose to engage a Sub-adviser, neither BRWA nor your IAR will have discretionary authority over your assets; however, the Sub-adviser will have full discretion to select the investments and effect all transactions for your account. Sub-advisers do not customize their investment strategies to meet your specific objectives. Instead, each one identifies its own strategy, and you choose which Programs to participate in. The Firm will monitor Sub-adviser's activity to ensure that it adheres to its stated investment objective and inform you of any decision to terminate the Sub-adviser's engagement. Sub-adviser may terminate its services at any time, in the discretion of the Sub-adviser's discretion.

BRWA has discretion of legacy private fund assets, including the authority to select a Custodian, and, if applicable, broker-dealers for the funds.

Item 17 – Voting Client Securities

Generally, neither the Firm nor your IAR will vote or accept authority to vote proxies on your behalf. Because your Custodian holds the securities in your account, your Custodian is responsible for ensuring all proxy materials are forwarded to you directly. BRWA does not serve as Custodian and as such does not receive proxies for securities held in client accounts. BRWA does not vote, nor give advice on how to vote, proxies for securities held on behalf of clients. Likewise, BRWA does not take any action with respect to investor class action lawsuits. If desired, you may direct the Firm to transmit copies of class action notices to you or a third party. Upon such direction, the Firm will make commercially reasonable efforts to forward such notices in a timely manner. Under the Advisory Agreement between BRWA and the client, the client retains exclusive voting authority over the securities in the client's portfolio, and the Firm does not have any role in proxy voting.

If the Firm or its IARs receive any materials or other information regarding a proxy solicitation from the issuer or a third party, they will be solely responsible for forwarding those materials to you or the person you designate within a reasonable period. If an exception is allowed to have your IAR vote proxies, you will consent to this on your account advisory agreement. If you represent an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, ("ERISA") as amended or Section 4975 of the Internal Revenue Code ("ERISA Client"), please note that the Firm is expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in an ERISA Plan's Account.

Only in the case of the legacy private funds will BRWA vote securities. BRWA has adopted written policies regarding the voting of securities held in our legacy private funds and will vote in accordance with those policies. A copy of the policy is available upon request from BRWA's Chief Compliance Officer.

Item 18 – Financial Information

This item is not applicable to B. Riley Wealth Advisors. The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We are not subject to a financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. We have not been the subject of a bankruptcy petition at any time.