



# Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, Allied Millennial Partners, LLC (“AMP” or “Allied Millennial”) would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker dealer, and a FINRA/SIPC member, providing brokerage services. Investment advisory services are provided through our affiliated investment advisor firm, Millennial Advisers, LLC. **Our brokerage services are the focus of this guide.**

All recommendations regarding your **brokerage account** will be made in a broker-dealer capacity, and all investing advice regarding your advisory account will be made in an advisory capacity through our affiliate. When we make a recommendation or provide investment advice to you, we will expressly tell you, orally, which account we are discussing

For more information on our investment advisory services and how they differ from our brokerage services, please review the Customer Relationship Summary (or Form CRS) available at [www.ourallied.com](http://www.ourallied.com). Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory (through our affiliate), along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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## Brokerage Services

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When you establish a brokerage account with us at one of our custodians (clearing firms), Interactive Brokers (IBKR) or INTL FCStone (INTL), you have the ability to buy, sell and hold investments within your account. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship, we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades. The capacity in which we act (principal or agent) is disclosed on your trade confirmation.

We also are able to offer application-based brokerage services such as accounts held directly with variable annuities and subscription based investments, such as Reg D offerings.

### Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firms, IBKR or INTL. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned to you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact one of our Financial Professionals or refer to the clearing firm, IBKR or INTL, Margin Disclosure Statement available on our website at [www.ourallied.com](http://www.ourallied.com).

### **Brokerage Account Types**

We offer many different brokerage account types including individual and joint accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to the clearing firm's account agreement(s) for more information concerning available account types or speak with one of our Financial Professionals.

### **Incidental Brokerage Services, Recommendations and Account Monitoring**

Within your brokerage account, we also provide other incidental services such as recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our Financial Professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a Financial Professional about whether an investment advisory services relationship is more appropriate for you.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include, but is not limited to, educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

### **Clearing Services**

We have entered into an agreement with IBKR and INTL (also referred to herein as "Clearing Firm" or custodians) to carry your account and provide certain back office functions. We and the clearing firm share responsibilities with respect to your account as set forth in the Designation of Responsibilities that is delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

### **Understanding Risk**

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with "Income" investors typically holding the smallest percentage of higher-risk investments, followed by "Growth and Income" investors holding *some* higher-risk investments, and finally "Growth" investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies and we measure it on a continuum that increases from "Conservative" to "Moderate" to "Aggressive," and finally "Trading and Speculation." See the chart below for details.

Investment Objective	Investment Objective Description	Risk Tolerance	Risk Tolerance Definition
Income	Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.	Conservative	Conservative Income investors generally assume lower risk but may still experience losses or have lower expected income returns.
		Moderate	Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
		Aggressive	Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth & Income	Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.	Conservative	Conservative Growth and Income investors generally assume a lower amount of risk but may still experience losses or have lower expected returns.
		Moderate	Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
		Aggressive	Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth	Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.	Conservative	Conservative Growth investors generally assume a lower amount of risk but may still experience increased losses or have lower expected growth returns.
		Moderate	Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
		Aggressive	Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.
Trading and Speculation	Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.		

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

### Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). Please review that Disclosure Statement carefully.

### Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

You should also understand that our Financial Professionals may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated Financial Professional may choose to

service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your Financial Professional.

## **Brokerage Service Models and Products**

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Allied Millennial is a full-service broker-dealer. A full-service broker-dealer firm provides a large variety of services to its clients that may include, for example, research, advice, and retirement planning,

### **Equities**

Allied Millennial is a broker-dealer offering access to the equity markets, both listed and OTC (i.e., over the counter) securities. "Listed" stock refers to stock or shares of a company that are traded on a stock exchange. Companies must pay fees to be listed and adhere to the rules and regulations of the registered securities exchange in order to be listed on that exchange. OTC refers to the process of how securities are traded for companies that are not listed on a formal stock exchange, such as the New York Stock Exchange (NYSE). Securities that are traded over-the-counter are traded via a broker-dealer network as opposed to on a centralized exchange. These securities may not meet the requirements or have chosen not to have a listing on a standard market exchange.

### **Fixed Income**

Allied Millennial is a broker or dealer in fixed income securities. We are a corporate underwriter or selling group member, municipal securities dealer, and a U.S. government broker and, accordingly, offer access to the debt markets including, but not limited to, municipal securities, corporate securities, and U.S. government securities. Fixed income securities are a type of debt instrument that provides returns in the form of regular, or fixed, interest payments and repayments of the principal when the security reaches maturity. These types of securities are issued by governments, corporations, and other entities to finance their operations.

### **Mutual Funds**

Allied Millennial currently offers hundreds of mutual funds varying in share class structure and investment style. A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. The combined holdings of the mutual fund are known as its portfolio and each shareholder therefore participates in the gains or losses of the fund.

### **Annuities**

Allied Millennial is a broker-dealer selling annuities issued by insurance companies. The annuities that AMP offers are fixed, and variable annuities. An annuity is a contract between you and an insurance company in which you make a lump-sum payment or series of payments and, in return, receive regular disbursements, beginning either immediately or at some point in the future. The income you receive from an annuity is taxed at regular income tax rates, not capital gains rates, which are usually lower. The goal of an annuity is to provide a steady stream of income, typically during retirement. Funds accrue on a tax-deferred basis and can only be withdrawn without penalty after age 59 ½.

### **Options**

Allied Millennial is a put and call broker-dealer and option writer. Options are financial instruments that are derivatives based on the value of underlying securities such as stocks. An options contract offers the buyer the opportunity to buy or sell – depending on the type of contract they hold – the underlying asset. "Call options" allow the holder to buy the asset at a stated price within a specific timeframe. "Put options" allow the holder to sell the asset at a stated price within a specific timeframe. Each option contract will have a specific expiration date by which the holder must exercise their option. The stated price on an option is known as the "strike price".

### **Unit Investment Trusts (UITs)**

Allied Millennial's UIT product offerings consist of Equity and Fixed-Income UITs. A unit investment trust (UIT) is a US financial company that buys or holds a group of securities, also known as a portfolio of securities, such as stocks or bonds, and makes them available to investors as redeemable units. UITs are similar to mutual funds in that they consist of collective investments in which many investors combine their funds to be managed by a portfolio manager. UITs are bought and sold directly from the company that issues them or, in some instances, through the secondary market. UITs have a stated expiration date based on what investments are held in its portfolio; when the portfolio terminates investors get their cut of the UITs net assets. Also, unlike mutual funds, UITs are not actively traded, meaning securities in the portfolio are not bought or sold unless there is a change in the underlying investment, such as a corporate merger or bankruptcy.

## **Limited Partnerships**

Allied Millennial is a broker-dealer authorized to sell tax shelters or limited partnerships (LP) in primary distributions and in the secondary market. A limited partnership is a partnership made up of two or more partners. There is a 'general partner' who oversees and runs the business while limited partners do not partake in managing the business. The general partner has unlimited liability for the debit and any limited partners have limited liability up to the amount of their investment. A tax advantaged LP is a vehicle used by individuals or organizations to minimize or decrease their taxable incomes and, therefore, tax liabilities. Tax shelters can range from investments or investment accounts that provide favorable tax treatment, to activities or transactions that lower taxable income through deductions or credits. Common examples of tax shelters are employer-sponsored 401(k) retirement plans and municipal bonds.

## **Private Placements**

Allied Millennial is a broker-dealer authorized to transact in private placements of securities. A private placement is a sale of stock shares or bonds to a pre-selected number of individual investors and institutions rather than on the open market. It is an alternative to an initial public offering (IPO) for a company seeking to raise capital for expansion. Private sales are now common for startups as they allow the company to obtain the money they need to grow while delaying or foregoing an IPO. Investors invited to participate in private placement programs include wealthy individual investors, banks and other financial institutions, mutual funds, insurance companies, and pension funds.

## **Brokerage Fees and Our Compensation**

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It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

### **Transaction-Based Fees**

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and other investment purchases and sales. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge." Transaction-based fees are based on a host of factors, including, but not limited to:

- Underlying investment product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available investment product discounts and/or fee waivers

### **Account and Service Fees**

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, please refer to your account opening documents.

### **How We Are Compensated**

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the respective account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

### **Brokerage Account Commission/Fee Schedules**

#### **Commission Schedule for Equities and Options**

Allied Millennial charges a maximum commission of \$100 per transaction for buys and sells that are completed in a brokerage account for equities and options. In addition to the commission, there is a flat rate transaction fee of \$14.95 per trade. Our Financial Professionals do not receive any portion of the transaction fee as compensation.

#### **Fixed Income Debt Securities (e.g., Municipal Securities, Corporate Bonds, etc.)**

We currently transact in non-proproprietary equity and fixed income products and earn a per transaction commission. For debt

securities, including preferred securities and CDs, we may apply a charge (i.e., markup) of up to 2% of the amount of your secondary market transaction, depending on a host of transaction-specific details (e.g., par value, interest rate, maturity date). A portion of the commission charged on your transaction is paid to your Financial Professional.

### **Mutual Funds**

We currently offer hundreds of mutual funds varying in share class structure and investment style. If you invest in mutual funds in a brokerage capacity, we receive direct and indirect compensation in connection with such mutual fund investments, as described below.

#### **12b-1/Shareholder Service Fees**

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your Financial Professional as a commission.

#### **Mutual Fund Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)**

Front-end sales charge fees may be charged and paid to us, including your Financial Professional, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of the transaction and the rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial Professional if you believe you are eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period or investment holding period. CDSC periods can range from zero to seven years. CDSC charges range from 0.00% to 5.50%. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Financial Professional. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund.

### **Annuities**

The annuities that we offer consist of fixed and variable annuities. Under arrangements with insurance companies, Allied Millennial, including your Financial Professional, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. This information is detailed in the product-specific documentation provided to you prior to or at the time of purchase. Annuities may have surrender charges if you decide to sell them. Surrender charges are a penalty you pay if you withdraw money from the annuity within a specific period. The penalty typically goes down over time.

Fixed annuities are the least complex annuity type and have lower commissions than other types. These CD-type annuities typically have no fees and have surrender charges that range from 3 years to 10 years with commissions ranging from 1.00% to 3.00%, depending on the policy term.

Variable annuities, however, are complex in design and typically pay a higher commission. The typical surrender charge period for a variable annuity is five to nine years, so the normal commission levels can be 4.00% to 7.00%. Payouts on annuities depend on the specific insurance carrier and will be described in the prospectus for a specific annuity you are interested in purchasing.

Other fees that vary by insurance carrier may include transfer charges, annual maintenance fees, distribution charges, third-party transfer charges, contract fees, underwriting fees and redemption fees. Please Note: Each annuity is different and specific fees and charges may be referred to by different names. Actual charges may differ based on the duration of the annuity and the terms of each annuity's prospectus. Longer-duration annuities generally have higher commission rates. This summary is intended to be a general overview. You should carefully review the terms of the prospectus for any annuity you intend to purchase.

## **Alternative Investments**

We also offer alternative investments to include limited partnerships and certain other alternative offerings. These alternative investments typically are offered in private offerings and typically are available only to retail customers who qualify as 'accredited investors', as such term is defined in Rule 501 Regulation D under the Securities Act.

As a general matter, these offerings are classified as 'alternative' because they are unlike traditional securities held in a broker-dealer account, such as stocks and bonds, and are generally not traded on an exchange. In some cases, these alternative investments have a negative correlation to traditional investments are used to further diversify portfolios beyond the traditional asset classes in an attempt to manage risk.

These alternative investments are typically subject to illiquidity and other special risks and some may be speculative and involve substantial risk. In some cases, it may be difficult to determine the current value of the asset. There can be no assurance that the stated investment objectives of an alternative investment will be met. Units or shares of these types of investments may fluctuate in value. Therefore, at the time of redemption, they may be worth more or less in value than the original amount invested.

When you purchase an alternative investment, you will typically pay us a commission every time you buy an alternative investment through a primary offering. You will pay this commission as a percentage of the investment amount or the share or unit price of the alternative investment offering. This commission is usually a one-time payment made at the time of your initial investment, although some alternative investments assess an ongoing sales charge after your initial investment. Commission rates vary among the various alternative investments we make available and may vary based on other factors such as the size of your investment. While commissions vary, you will typically pay a commission ranging between 2.00% - 6.00% of the amount you invest in the alternative investments we make available. In addition to commissions, your investment in an alternative investment will typically entail additional deposit-based fees and charges, including fees paid to underwriters and other organizational and offering expenses. The net investment amount, after deducting initial commissions and other upfront expenses is available for the manager, general partner, or advisor of the alternative investment program to invest pursuant to the investment objectives of the program.

Information regarding a specific alternative investment's features, risks, commissions, surrender charges, and ongoing fees and expenses and other important matters is available in the alternative investment's prospectus or other offering document. You can request a copy of an alternative investment's prospectus or other offering document from your Financial Professional at any time.

## **Unit Investment Trusts (UITs)**

Our UITs consist of Equity and Fixed-Income UITs. We, along with your Financial Professional, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your Financial Professional can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT.

All UITs have fees and expenses. These costs, like all investing costs, are important to understand because they decrease the return on your investment. UIT fees and expenses can be divided into sales charges and those that relate to the operation of the UIT.

UITs assess sales charges on units you purchase in commission-based brokerage accounts. The sales charge for UITs may be composed of three components. First, an initial sales charge may be applied to your purchase amount. Second, most UITs assess a deferred sales charge. The deferred sales charge is generally deducted in periodic installments following the end of the initial offering period. Finally, most UITs assess a creation and development fee that compensates the UIT sponsor for creating and developing each UIT, including determining the UIT's investment objectives and policies, selecting portfolio securities and other functions. The creation and development fee (generally \$0.05 per unit) is generally deducted at the end of the initial offering period.

In general, all UITs make a charge against the UIT portfolio's assets for amounts expended to organize the trust itself. UITs separately deduct for operating expenses, including portfolio supervision, bookkeeping, administrative costs and trading expenses. These amounts will vary with each UIT.

Please Note: Each UIT is different and specific fees and charges may be referred to by different names. Actual charges may differ based on the duration of the UIT and the terms of each UIT's prospectus. Longer-duration UITs generally have higher sales charges. This summary is intended to be a general overview. You should review the terms of the prospectus for any UIT you intend to purchase.

## **Training and Education**

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our Financial Professionals. These meetings or events are held to educate Financial Professionals on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics and may include meals, entertainment or other non-cash compensation (not to exceed \$100 per year) from product providers. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our Financial Professionals with providing services to the plan.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with Financial Professionals; these relationships could lead to sales of that particular company's products.

## **Operational Fees**

There are various operational services provided to you through a brokerage account, most of which are provided and charged by our clearing firms/custodians, and some of which we receive compensation on. The fee schedule for these services is described in your account opening documents.

## **Compensation for Termination of Services**

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your Financial Professional.

## **Conflicts of Interest**

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Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Financial Professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our Financial Professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Financial Professionals receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

## **Compensation We Receive from Clients**

### **Transaction-based conflicts**

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your Financial Professional receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

### **Markups and markdowns for principal transactions**

When you buy or sell fixed income securities in a brokerage account, and in accordance with industry regulations, we typically impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

### **Account maintenance and other administrative fees**

For the services we provide and the clearing firm provides or makes available to you with respect to your brokerage account, the clearing firm charges certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. We receive a portion of these fees as negotiated with the clearing firm. Refer to the section *Revenue Sharing* below for additional information.

### **Compensation We Receive from Third Parties**

Third-party payments we receive are based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments.

The total amount of payments we receive varies from product to product and varies with respect to the third-party investment management products we recommend. It also is separate from and in addition to the compensation we receive in connection with other products and services made available to you, including advisory services through our affiliated investment advisor firm. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party compensation we receive include:

- **Revenue Sharing.**

Customers may also incur brokerage and/or other transaction costs from one of our custodians. These costs include but are not limited to handling fees, wire transaction fees, and check writing expenses. For more information regarding the costs that are charged to a customer from our custodians, please refer to the new account opening disclosure documents sent to you directly from the custodian.

Allied Millennial has a revenue sharing agreement on file with each of our custodians (INTL and IBKR), regarding fees collected from margin interest, cash balances/sweep accounts, processing/handling fees, and other miscellaneous fees. This arrangement gives rise to a conflict of interest because AMP has an incentive to steer customer assets to one of the custodian's money market sweep funds that generate such revenue, rather than to products or custodians that do not generate such revenue. Customers should understand that the receipt of these distribution fees will result in higher compensation to AMP and will cause customers investing in these money market funds to incur higher ongoing costs compared to other lower-cost cash sweep products that are made available by other custodians.

Notwithstanding this conflict, AMP does not believe that this arrangement interferes with its provision of recommendations to customers because of its practices and controls. We do not pay our Financial Professionals any of the revenue-sharing fees listed above.

- **Trail Compensation.**

Ongoing compensation from Product Sponsors is received by us and shared with our Financial Professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

### **Additional Compensation from Product Sponsors and Other Third Parties**

Allied Millennial and our Financial Professionals, associates, employees, and agents receive additional compensation from Product Sponsors and other third parties including:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.

- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and Financial Professionals, and for conferences and events that we sponsor.

**Note:** The amount of these payments is not dependent or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

### **Product Share Classes**

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

### **Compensation Related to Our Affiliates**

#### **Compensation Related to Proprietary Products**

Brokerage recommendations can include a recommendation to invest in a product or service that is managed, issued or sponsored by us or our affiliates. We and our affiliates will receive additional compensation or economic benefits from investments by you in such products, including, but not limited to, management credits, service fees and similar revenue sharing arrangements. The compensation related to these may be greater than similar products provided by third parties. Thus, we have an incentive to recommend investments in proprietary/affiliated products.

- **Common Control and Ownership of Disruptive Ventures LLC**

Allied Millennial Partners, LLC is under common control and ownership of Disruptive Ventures LLC. Disruptive Ventures, LLC is a special purpose investment vehicle created to sell membership interests and use the net proceeds therefrom to attempt to purchase restricted securities of various privately held companies. Additional information regarding Disruptive Ventures LLC is available at [www.disruptiveventuresfund.com](http://www.disruptiveventuresfund.com).

Customers should be aware that the receipt of additional compensation by Allied Millennial Partners, LLC and its Financial Professionals creates a conflict of interest that may impair the objectivity of our firm and these individuals when making recommendations. We endeavor at all times to put the interest of our clients first as part of our high standards of commercial honor and integrity, industry rules and regulations, and the best practices of as a registered broker-dealer.

We take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our Financial Professionals to earn compensation from investments clients make in Disruptive Ventures, LLC;
- We disclose to clients the existence of all material conflicts of interest that many of our Financial Professionals are also Financial Professionals with our affiliate Millennial Advisers, LLC;
- We disclose to clients that they are not obligated to purchase recommended investment products from our Financial Professionals or affiliated companies;
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our firm's management and compliance team conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our Financial Professionals seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed; and
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm.

### **Compensation Received by Financial Professionals**

Financial Professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients, including brokerage account activity. This compensation varies by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or "trail" payments. Thus, Financial Professionals are incentivized to recommend products that have higher fees as well as those with on-going payments.

Typically, a Financial Professional's payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when Financial Professionals discount certain client fees and

commissions, or client relationship asset levels are below minimums established by the clearing firm or third party. Financial Professionals also may be eligible for annual or ongoing bonuses and deferred compensation awards based upon a variety of factors that may include reaching certain production levels, tenure with the firm, client product mix, asset gathering, referrals to affiliates or other targets, as well as compliance with our policies and procedures and meeting best business practices.

As a result, Financial Professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial Professionals also have an incentive to provide brokerage recommendations to increase brokerage trading activity, and to reduce the amount of discounts available to you.

Financial Professionals have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial Professionals are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, Financial Professionals are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial Professionals also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation is provided to Financial Professionals who join our firm from another financial firm. This compensation, which likely varies by Financial Professional, often includes either an upfront or backend award based upon new client assets to the firm and/or revenue generated from such client assets. This creates an incentive for the Financial Professional to recommend the transfer of assets to the firm, including brokerage assets, in order to earn this compensation.

Non-cash compensation is provided to Financial Professionals in the form of education meetings and recognition trips. Portions of these programs are subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with Financial Professionals, which could lead to sales of such product provider's products. Financial Professionals also receive promotional items, meals, entertainment, and other non-cash compensation from product providers up to \$100 per year for gifts per vendor.

#### **Personal Trading in Same Securities as Clients**

AMP permits Financial Professionals to purchase or sell the same securities that may be recommended to and purchased on behalf of customers. Owning the same securities that are recommended (purchase or sell) to customers presents a conflict of interest that must be disclosed to customers and mitigated through policies and procedures. Regulation Best Interest directs Financial Professionals to act in the best interest of their customers and this regulation would be violated if personal trades are made with more advantageous terms than your trades, or by trading based on material non-public information. To mitigate this risk, we require our Financial Professionals to report trades of personal securities trades for review by the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **Personal Trading at Same Time as Client**

While we allow our Financial Professionals to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are required to be traded afterward. At no time will we or our Financial Professionals, transact in any security to the detriment of any brokerage customer. This does not create a conflict of interest with, specifically, mutual fund transactions since all orders are traded for the same closing NAV price on the day of trade execution. All parties will receive the same execution pricing on these transactions.

#### **Additional Resources**

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**For additional information related to this Regulation Best Interest Disclosure, our Relationship Summary (Form CRS), Legal Disclosures and more, please refer to your account opening paperwork, ask your Financial Professional or visit our website at [www.ourallied.com](http://www.ourallied.com).**