



PARTNER PROGRAM

**PART 2A**

**APPENDIX 1**

PROGRAM BROCHURE

Current as of March 28, 2024

**Osaic Advisory Services, LLC**

**d/b/a Osaic Advisors**

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This brochure provides information about the qualifications and business practices of Osaic Advisory Services, LLC also doing business as Osaic Advisors (the “Firm,” “we” or “us”). If you have any questions about the contents of this brochure, please contact us at 678-387-3088. The Firm is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](https://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 171070.

## Item 2 - Material Changes

Osaic Advisory Services, LLC (formerly known as Triad Hybrid Solutions, LLC) also doing business as Osaic Advisors filed its last annual amendment to its Form ADV Partner Wrap Brochure on March 31, 2023. Since then, the following material changes have occurred.

- Triad Hybrid Solutions, LLC has been re-named to Osaic Advisory Services, LLC universally throughout this document as the result of the firm changing its legal name effective March 28, 2024.
- The firm address has been updated on the cover page.

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## Item 4 - Services, Fees and Compensation

Osaic Advisory Services, LLC also doing business as Osaic Advisors (“OAS”, “the Firm”, “us” or “we” or “our”) is an SEC-Registered Investment Adviser. OAS is a limited liability company organized under the laws of the State of Florida on April 15, 2014. Triad Advisors, LLC, OAS’s broker-dealer affiliate, is registered with the SEC as a broker-dealer engaged in the offer and sale of securities products and is a member of the Financial Industry Regulatory Authority (“FINRA”). OAS is a wholly-owned subsidiary of Osaic Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

### Advisory Services

Clients who wish to participate in Partner’s third-party investment management & consulting program described in this brochure enter into a Partner Investment Advisory Agreement with OAS and a similar agreement directly with the third-party investment manager (“Manager”). The applicable agreements will set forth which Manager is providing consulting services to clients. The client’s selection of a Manager will not be effective until the client is accepted by the Manager. The client’s agreement with the Manager sets forth the terms and conditions under which the client’s accounts are managed by the Manager or by third-party portfolio managers made available through the Manager. We offer Partner accounts as “Wrap” where no separate transaction charges apply, and a single fee is paid for the third-party investment manager’s fee, the Adviser’s fee and the costs of execution of transactions through the chosen custodian. In a wrap fee program no separate brokerage commissions or other brokerage fees will be charged (See the section “Fees That Clients May Pay in Addition to the Wrap Fee”). We also offer Partner accounts as “Non-Wrap” where, in addition to the third-party investment manager’s fee and the Adviser’s fee, you will also pay separate per-trade transaction charges. The fees that you pay in connection with the Partner Program are set forth in the program agreement that you sign.

Your Investment Adviser Representative (“Advisory Representative”) will gather information relevant to your needs. For example, you inform your Advisory Representatives of the investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets you designate for investment. Based on the information provided, the Advisory Representative assists you in selecting one or more Managers to provide discretionary management services for the client’s account from those available through Partner.

Any restrictions on the management of an account imposed by you may cause the Advisory Representative to deviate from the recommendations that the Advisory Representative would otherwise make with respect to the account. The Advisory Representative may provide additional consulting services in connection with particular Managers. For example, a Manager may offer you a variety of investment strategies or may offer you access to other third-party portfolio managers. In those cases, the Advisory Representative will assist you in selecting an investment strategy or specific Managers. The Advisory Representative may also assist the client in allocating assets among strategies or Managers.

Whenever you select the services of a third-party Manager, you will receive a disclosure brochure similar to this one describing the Manager and the services it provides. You should read these disclosure brochures carefully before deciding whether to select a Manager.

You typically grant discretion to the Manager in a separate agreement between you and the Manager. OAS may assist clients by recommending that assets be allocated among multiple Managers, but OAS does not have discretion to select the Manager or to allocate or re-allocate your assets. The Manager may also have discretion in choosing or removing your assets from one third-party portfolio Manager to another.

## Execution of Trades

Accounts are managed by third-party portfolio managers made available by OAS. You sign a separate agreement with each Manager selected. Your selection of a Manager will not be effective until accepted by the Manager. Your agreement with the Manager sets forth the terms and conditions under which the your accounts are managed by the Manager For more information on these brokerage services, see the section titled “Brokerage Practices” below.

## Custody

An unaffiliated entity acts as custodian and broker-dealer for Partner described in this brochure. The custodian is named in the client’s agreement with the Manager, as applicable. The Custodian will typically be Fidelity Brokerage Services, LLC (“Fidelity”) or Charles Schwab & Co., Inc. (“Schwab”).

## Fees and Compensation

The client pays a quarterly fee which is calculated based on a percentage of the value of the client’s account. Fees are generally payable in advance, and automatically deducted from the account pursuant to the advisory agreement and not billed separately. The fee covers the consulting and advisory services provided by OAS, the Advisory Representatives, the Manager, program administrative services, and execution of transactions.

Participating Managers in the Partner Account may have a minimum account size. Certain Managers may limit the billing frequency and methodology available (flat, linear, or tiered); the availability of these elections including the negotiability of advisory fees are described on the applicable advisory agreement.

The basic asset-based fee schedule for the Account is as follows:

### Partner Account

Portfolio Value	Max Annual Fee Allowed
\$0 — \$150,000	2.50%
\$150,001 — \$250,000	2.25%
\$250,001 — \$500,000	1.75%
\$500,001 — \$1,000,000	1.50%
\$1,000,001 — \$3,000,000	1.25%
\$3,000,001 — \$5,000,000	1.00%
\$5,000,001 — \$10,000,000	1.00%
\$10,000,001 +	1.00%

The fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc. A flat fee rate is a flat fee percentage applied to all billable assets. When a linear fee rate is selected, the entire household, portfolio or account value is charged at the rate that corresponds to the asset value range in which billable asset values fall. In a tiered fee rate schedule, the household, portfolio or account value is charged the corresponding fee percentage within each range.

Regardless of the actual quarterly fee rate or the value of the assets in the accounts, the minimum fee charged to accounts in Partner is the greater of \$30 or up to 15 basis points annually assessed per account. The imposition of the minimum fee may cause the effective fee rate (expressed as a percentage) to be greater than the fee rates specified in the client’s Partner Agreement. Depending on which underlying manager utilized, an additional fee may be included in your fee.

Either party at any time, and upon written notice, may terminate the Partner Agreement and a pro rata portion of any fee paid by you in advance will be remitted to you based on the number of days left in the quarter, following receipt of the notice of termination by OAS.

OAS may “household”, for fee calculation purposes only, multiple Accounts together within the Investment Advisory Agreement at the Client’s request. This practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account to be assessed a reduced advisory fee based on the asset-based fee schedule. OAS treats accounts under management as part of the same household if client resides at the same address, has the same last name, has the same Social Security Number or per client request and execution of the Household Billing Addendum to the applicable Investment Advisory Agreement. Accounts opened at a later date may be added for householding purposes. You understand that they are responsible for notifying Adviser of which Account(s) you would like to household under this agreement for fee billing purposes.

## **Fees that You May Pay in Addition to the Wrap Fee**

### *Manager Fees*

Managers may charge separately for their services and for the services of any third-party portfolio managers selected by you. The fee that you pay to Manager will be set forth in your separate agreement with the Manager. This fee is in addition to the Wrap Fee paid under this agreement for services provided by the Advisory Representative and OAS. For more information, see the disclosure document provided by the Manager.

### *Other broker-dealer and custodian fees, costs and compensation*

Other costs that may be assessed by broker-dealers or the custodian and that are not included in the Wrap Fee include: fees for transactions executed away from chosen custodian, dealer mark-ups and spreads paid to market-makers. The Management Fee also does not cover debit balances or related margin interest, “mark-ups” and “mark-downs” or “dealer spreads” that broker-dealers (including broker dealer affiliates) may receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through chosen custodian. The Management Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law. The advisory fees do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds and variable annuity contracts. In addition, each mutual fund or third-party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm. Please see the section titled Brokerage Practices for additional information.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges. These fees are in addition to the advisory fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company’s prospectus. Please review the Variable Annuity prospectus for full details.

The use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved. Generally, Advisory fees for accounts with margin are billed on the net equity of the account, which is the value of cash and securities minus the amount of margin debt.

Your Advisory Representative can also recommend clients invest in securities issued in an initial public (“new issue”) and secondary offering for which Ladenburg Thalmann & Co. Inc. (“LTCO”), an affiliate of OAS, acts as a manager, an underwriter and/or a member of the selling syndicate. OAS and/or our affiliated broker/dealer, Triad Advisors, can also act as a member of the selling syndicate. We have a conflict of interest when recommending these securities because:

- LTCO receives all or a portion of the concession (the difference between the price paid by the client for the security and the price for which LTCO purchases the security) in connection with such sales. This concession will vary between different offerings. If OAS or Triad Advisors also act as a member of the

selling syndicate, they receive a portion of the concession. If your Advisory Representative is also a registered representative, he or she generally receives a portion of this compensation in that separate capacity.

Because of our affiliation with LTCO, we have incentives to recommend investments in these initial and secondary offerings for the above reasons rather than based on client needs. To address these conflicts, we have policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are in the client's best interest based on client investment objectives and holdings. If securities acquired in initial public and secondary offerings become oversubscribed, we have policies and procedures in place addressing the allocation process under these circumstances.

In addition to the Program Fee, each mutual fund or ETF in which you may invest also bears its own investment advisory fees and other expenses. The mutual funds available through Partner may be available directly from the funds pursuant to the terms of their prospectuses and without paying the advisory fee or Manager fee. Exchange-traded funds are also available outside of Partner without paying the advisory fee or Manager fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment comes from redemptions of a client's mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the advisory fee on those assets. Additional expenses associated with the specific underlying investment funds such as, redemption fees, may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. You may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund's prospectus.

## **Mutual Funds**

Mutual funds generally 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 share classes (typically, Class A, B, and C shares), certain mutual funds also offer institutional share classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other share classes. You should not assume that they will be invested in the share class with the lowest possible expense ratio.

OAS has taken steps to increase the proportion of lower cost share classes that are utilized by our Advisory Representatives. Regardless, however, clients may still be invested in other higher cost share classes with higher internal expenses when no lower cost share classes for a particular fund is available at the client's chosen custodian 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 requirements or restrictions imposed by the chosen custodian.

Certain mutual fund share classes are available for purchase or sale without a transaction fee; these mutual funds are typically available in higher cost share classes. Mutual Fund share classes which have a transaction fee are typically available in lower cost share classes. The decision to use the higher cost share classes versus the lower cost share classes is based on the anticipated level of trading activity in the selected mutual fund. Generally, prolonged holding periods of the higher cost share classes result in higher underlying expenses to you than if a lower cost share class were chosen with a transaction fee. In discussing with you which share class is appropriate, our Advisory Representatives will typically discuss the size of the investment in the particular mutual fund, anticipated number of transactions in the mutual fund, the preference of paying a transaction fee and the likely turnover of the assets in the account based on the proposed strategy for the account. Please contact your Advisory Representative for more information about share class eligibility. Clients may find additional information relating to Mutual Fund share classes by visiting [www.finra.org/investors/alerts/understanding-mutual-fund-classes](http://www.finra.org/investors/alerts/understanding-mutual-fund-classes).

## **Comparison Cost of Service**

The wrap fee may cost you more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services

by other broker-dealers and other factors. Clients should understand that the wrap fee may cost you more than purchasing the program services separately.

Advisory Representatives receive a substantial portion of the total advisory fee, which may be as high as 2.50% annually. This compensation may be more or less than what the Advisory Representative would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. The Advisory Representatives therefore has a financial incentive to recommend the Partner Program described in this brochure over other programs or services. This presents a conflict of interest. OAS addresses these conflicts of interest through its policies and procedures that, among other things, require Advisory Representatives to make suitable recommendations and to act as a fiduciary to our clients.

In the Partner Wrap fee program, transaction or ticket charges are paid by OAS when they occur. Because of this practice you should be aware that OAS has a conflict of interest because of the incentive to limit trading activities in your account in order to minimize these costs. An account in which there are no transaction charges may cost more or less than you would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset-based fees typically assumes a normal amount of trading activity under particular circumstances. Prolonged periods of account inactivity result in higher compensation than if transaction charges were paid separately by you for each transaction. In negotiating asset-based fees and transaction charges, Advisory Representatives will discuss with you the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Advisory Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to OAS. As a consequence, OAS has a conflict of interest in recommending one security type over another as OAS may receive less compensation in the Advisory Representative's choice of investments in managing your account. As a fiduciary we are required to act in your best interest and manage these conflicts via periodic reviews of our pricing arrangements with our custodians.

## **Item 5 - Account Requirements and Types of Clients**

### **Types of Clients**

The Program is available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

### **Minimum Account Size**

OAS does not impose an account minimum; however, we will charge a minimum service fee which is the greater of \$30 or up to 15 basis points annually assessed to the advisor per account. Managers impose various account minimums, as set forth in their disclosure documents.

## **Item 6 - Portfolio Manager Selection and Evaluation**

OAS selects and evaluates the Managers that are available through Partner. Managers are evaluated using data and information from several sources, including the Manager and, if available, independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment process, asset class and styles. OAS also reviews the Manager's disclosure brochure, marketing brochures, due diligence questionnaires and other relevant information that help demonstrate the Manager's investment process. Manager performance is monitored by OAS. Managers who underperform relative to the applicable asset class and or styles may be removed from the Partner program. OAS does not calculate or verify Manager returns, but rather relies on the returns presented by the Manager and/or third-party sources. Manager performance may not be calculated on a uniform and consistent basis.

Managers generally offer a variety of investment strategies. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. If you choose to follow high-risk strategies, you should be aware that there is the possibility of significant losses up to and including the possibility

of the loss of all assets placed in the strategies. It is strongly recommended that you diversify their investments and do not place all of your investments in high-risk investment strategies.

Advisory Representatives identify specific Managers for particular clients based on asset size, any investment restrictions the client may wish to impose, any investment guidelines or policies that the client may have or other factors that may make a certain particular manager more desirable to the client. Clients are responsible for the initial selection of the Managers. Advisory Representatives use these same factors to recommend replacement of specific Managers for particular clients.

Clients will receive each Manager's disclosure document. Clients should review the disclosure document carefully for important information about the Manager, including risks associated with the selected strategy (if applicable). Each Manager is solely responsible for the truthfulness, completeness, and accuracy of its own disclosure document. Neither OAS nor the Advisory Representatives are responsible for the performance of any Manager. In addition, neither OAS nor the Advisory Representative shall be responsible for any act or omission of any Manager or any misstatement or omission contained in any document prepared by or with the approval of any Manager or any loss, liability, claim, damage, or expense, whatsoever, as incurred, arising out of or attributable to such misstatement or omission, or any other action or omission by a Manager.

Certain Managers seek to execute and fill transactions for institutional and other non-wrap fee/separately managed program accounts prior to those for wrap-fee/separately managed program accounts. This could have an adverse impact on the execution price clients receive if trades for institutional and non-sponsor program accounts impact the market and trading volume of the securities sought to be purchased with respect to the client's account.

## **Item 7 - Client Information Provided to Portfolio Managers**

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

Please refer to the Firm's Privacy Policy located at [osaic.com/advisoryservices-disclosures](https://osaic.com/advisoryservices-disclosures) to find details.

## **Item 8 - Client Contact with Portfolio Managers**

### **Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

Not applicable. Neither we, nor any of our management personnel have been involved in any disciplinary events that are material to your evaluation of our programs or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

Advisors that offer the Program may be "Related Persons" to us. You should see the OAS ADV Part 2A that will be



provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

## **Code of Ethics**

We have adopted a Code of Ethics (“the Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

This response is only intended to provide you with a summary description of our Code of Ethics. Please refer to our Code of Ethics located at [osaic.com/advisoryservices-disclosures](https://osaic.com/advisoryservices-disclosures) in its entirety for additional details

Individuals who are covered by our Code (“Access Persons”) can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

## **Participation or Interest in Client Transactions**

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons’ have a financial interest in. Please see the ADV Part 2A of your Advisor for further details on these financial interests and associated conflicts of interest.

## **Brokerage Practices**

OAS utilizes various custodians to execute advisory account transactions and to custody advisory assets in connection with the Partner Program. Currently, OAS utilizes Fidelity and Schwab. Generally, each Advisory Representative chooses to use one of the custodians exclusively to execute transactions and custody your funds and securities. OAS does not require Advisory Representatives to utilize a particular custodian over another that OAS currently utilizes.

A number of factors affect custodial choice and in seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, safety of customer funds, execution capability, commission rates and responsiveness. Accordingly, although OAS will seek competitive rates, to the benefit of all clients, it will not necessarily obtain the lowest possible commission rates for specific client account transactions. In utilizing broker-dealers for custodial services, OAS considers the following:

- Quality of overall execution services provided
- Promptness of execution
- Creditworthiness, financial condition, and business reputation
- Research (if any) provided
- Promptness and accuracy of reports on execution
- Ability and willingness to correct errors
- Ability to access various market centers

- The Custodian's facilities, technology & technology integrations
- Commission or transaction charged to clients
- Execution capabilities and operational efficiencies
- Product specialty and availability (types of securities)
- Banking, charitable & trust services offered

The benefits received by OAS or its personnel through participation in programs available at Fidelity or Schwab ("Custodians") do not depend on the amount of brokerage transactions directed to the Custodians. You should be aware, however, that the receipt of economic benefits by OAS or its related persons in and of itself creates a conflict of interest and influences OAS' choice of custodians for custody and brokerage services. OAS receives no products, research, or services in connection with your securities transactions (i.e., soft dollars or soft dollar benefits) that it would consider a primary factor in utilizing a particular broker-dealer. However, under its custodian agreements, OAS receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, access to a trading desk, access to block trading, economic forecasting and general market information, historical database information and computer software that assists OAS' Advisory Representatives in their investment management process.

Custodians refer financial professionals to OAS, and these professionals may become Advisory Representatives of our firm. These referrals from our Custodians raise a conflict of interest. Custodians will most likely refer potential Advisory Representatives to OAS when we encourage those Advisory Representative's clients to custody their assets at the referring firm and whose client accounts are profitable to the Custodians. Consequently, in order to obtain referrals, OAS has an incentive to recommend to clients that the assets under management by OAS be held in custody with the referring firm and to place transactions for client accounts with that same Custodian. OAS does not pay referral fees to Custodians for providing OAS with potential Advisory Representative referrals. This arrangement does not diminish our duty to seek best execution of trades or our duty as a fiduciary to act in the client's best interest.

Fidelity provides OAS with technology platforms or other software to access Fidelity's brokerage system. These systems aid OAS in providing services to its clients and their accounts, which includes software that makes available client's account data, facilitates trade execution, allocates aggregated trade orders, facilitates payment of fees from client accounts, and assists with back office functions, such as recordkeeping and client reporting. Fidelity also assists OAS with certain Advisory Representatives joining the Fidelity platform, and in some cases, pay account transfer fees or other charges the client pays when changing custodians or service providers. The agreement for services described above may be better or worse than the terms offered to other advisors and may depend on the type or amount of business OAS and its client conduct with Fidelity. Other factors may be considered as well, including the amount of assets in accounts with Fidelity within a certain timeframe. Our Advisory Representatives are motivated by these factors when recommending Fidelity accounts to clients. OAS will establish pricing on commissions, account transactions, and other service fees for accounts in which Fidelity is the custodian. This pricing will be agreed upon based on the current and expected type and amount of business OAS plans to do with Fidelity.

Schwab provides OAS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The Custodians also sponsor and make available to OAS other products and services that benefit OAS. These benefits include national, regional or OAS specific educational events, conferences or meetings relating to the programs or advisor custody and brokerage services. Other benefits may include occasional business entertainment of personnel of OAS by the Custodians' personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Some of these products and services assist OAS in managing and administering clients' accounts.

These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of OAS' fees from its clients' accounts, access to mutual funds with no transaction fees and to certain institutional money managers; and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services are used to service all or some substantial number of OAS' accounts, including accounts not maintained at Schwab or Fidelity. Certain Custodians also make available to OAS other services intended to help OAS manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the Custodians make available, arrange and/or pay vendors for these types of services rendered to OAS by independent third parties. The Custodians will occasionally discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to OAS.

### **Trade Allocation and Aggregation**

When the purchase or sale of a particular security is appropriate for more than one client account, trades for advisory clients may be aggregated. OAS or the third-party investment manager may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is a common practice that these orders be "batched" for ease of execution. This is done principally to ensure that clients are treated fairly and that one client is not advantaged at the expense of another client. Trades with advisory clients may be aggregated with those of other clients of OAS or the personal trades of Advisory Representative's accounts as well. Aggregate orders may not reduce transactions costs. There may be several prices at which the securities transactions are executed, even though the orders were entered as one order for all accounts. Advisory Representative may aggregate all, none or some of client trades based on, among other things, a client's investment guidelines and restrictions (including those on the use of discretion by the Advisory Representative) the type of securities and the size of the order.

OAS's policies do not require the third-party investment manager or Advisory Representative to aggregate or block trade all client orders. When a Manager or Advisory Representative chooses not to aggregate client orders for the same security a conflict of interest may exist. In such instances, the Manager or adviser must decide which client order to place first which may result in one client receiving a better execution price over another client and will lead to certain client accounts receiving more favorable order executions over time. OAS does not monitor Advisory Representatives choosing not to aggregate orders to determine whether any one client or group of clients is systematically disadvantaged over time (see the disclosure brochure for the third-party investment manager for policies regarding aggregate or block trade orders). It is our practice to treat all subject accounts equally when a block trade occurs, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. OAS may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating will, in certain circumstances, cost clients more money. Clients that are not included in block trading of other client accounts may receive a higher or lower price than clients that have been included in a block trading order. In order to ensure that no client or group of clients is favored over another, OAS retroactively reviews the block trading activity with respect to clients that are not included in block trades with other clients of an Advisory Representative for the same security on the same date.

### **Trading Errors**

Occasionally, a trading error may occur where either we, or our Advisory Representatives, are at fault for effecting one or more erroneous securities transactions for a client's brokerage account. If this occurs in your account, the error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to you. As a result, trade corrections can

result in a financial benefit to us or our affiliated broker/dealers. Please refer to the Manager's brochure for more information.

### **Fixed Income**

In addition, OAS or the Manager may execute fixed income trades through Advisors Asset Management. The Manager or a OAS Advisory Representative may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. OAS does not receive referrals, products, research or services (i.e., soft dollars) in connection with this relationship. However, Triad Advisors receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the "wrap fee" or the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Triad Advisors or Ladenburg Thalmann & Co, Inc., an affiliate of OAS, may act as broker-dealer for accounts in these programs for certain syndicate securities. Thus, by recommending one of these securities, Manager or the Advisory Representative is recommending Triad or LTCO as broker-dealer. The transaction charges paid in connection with these programs may be more or less than the client would pay for transactions through other broker-dealers. However, these transaction charges are determined taking into account the advisory services provided by OAS.

### **Directed Brokerage**

Directed brokerage occurs when an investment adviser complies with the client's request to use a designated broker or custodian. OAS requires that clients establish brokerage accounts with certain registered broker- dealers ("Custodians"). Currently, OAS utilizes Fidelity or Schwab to maintain custody of clients' assets and to effect trades for their accounts. OAS is independently owned and operated and not affiliated with these Custodians. The final decision to custody assets with the Custodians listed above is made by the Client in the applicable program agreement, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. OAS client accounts maintained at the Custodians generally do not charge separately for custody services but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the Custodians or that settle into their accounts. Because OAS may pay the execution costs in certain programs associated with securities transactions, there is a disincentive to trade securities above a certain threshold. OAS does not receive any portion of the commission or fees from the Custodians.

The practice of directing brokerage is not required by all advisers and we may be unable to achieve the most favorable execution of client transactions at all times. This practice may cost clients more money, however as a fiduciary, OAS endeavors to act in its clients' best interests. OAS' recommendation/requirement that clients maintain their assets in accounts at the Custodians may be based in part on the benefit to OAS or the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which creates a conflict of interest. Clients are able to direct brokerage transactions to a 3rd party for certain types of securities. Directing brokerage may cost clients more money because, as an example, we will not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

### **Review of Accounts**

Your Advisor periodically reviews your account and contacts you at least annually. For further account review details, please see the OAS ADV Part 2A.

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that OAS receives, please see the OAS ADV Part 2A.

## **Financial Information**

This item is not applicable to the Firm. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients and have never been the subject of a bankruptcy proceeding.