

INDEPENDENT [FINANCIAL] PARTNERS®

REGULATION BEST INTEREST DISCLOSURE

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INTRODUCTION

Reg BI is a new standard of conduct promulgated by the SEC that goes into effect June 30, 2020. It requires Independent Financial Partners (IFP) and its Financial Professionals to act in the best interest of the retail customer at the time a recommendation is made. The underlying goal of Reg BI is to improve investor protection by enhancing obligations when making retail recommendations and reduce potential harm to retail customers from conflicts of interest that will impact the recommendation.

We provide this Regulation Best Interest Disclosure to our retail customers to inform you about the services we offer and our relationship with you. Among other things, this Reg BI Disclosure addresses the scope and terms of our relationship with you, the capacity in which we are acting, the type and scope of our services, material limitations on our services, the fees and costs associated with your holdings, accounts, and transactions, and the conflicts of interest that exist for us and our financial professionals. We make additional information available through our website, and if you require more information, you should work with your financial professional to review the applicable documentation including account application forms, offering documents, and prospectuses.

If you do not have access to the internet, or do not wish to review the information we post electronically, you can request a hard copy version of the information from your Financial Professional or by calling 813-341-0960.

SCOPE AND TERMS OF OUR RELATIONSHIP WITH YOU

IFP Securities, LLC is a registered broker-dealer and is affiliated with a registered Investment adviser IFP Advisors, LLC. They are under common ownership and owned by IFP Group, LLC. IFP is the marketing name for all entities.

Many of our management persons are registered representatives of IFP. Most Financial Professionals are registered representatives and investment advisor representatives of IFP and may be individually licensed as insurance agents or serve as agents of IFP Insurance in the sale of traditional and variable insurance products. We offer a variety of approved products and services to our Financial Professionals to serve your needs.

Depending on your needs and your investment objectives, your financial professional will assist you with brokerage services, investment advisory services, or both where appropriate. Not all financial professionals offer broker-dealer or investment advisory services, nor are licensed to offer the full suite of products and services

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences, including their costs, the services that are provided, and the rules that govern them. Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. Information about our services as well as the Form CRS Customer Relationship Summary disclosure is available at ifpartners.com.

OUR CAPACITY

Broker-Dealer Capacity

In our capacity as a broker-dealer, we can recommend and effect securities transactions for you, including buying and selling securities (including investment funds and products) that can be held in your brokerage account. We offer many different options or account types for your brokerage account, including accounts held with Pershing LLC, our clearing firm; accounts held directly with the issuer of the securities purchased (sometimes

referred to as directly held accounts); education accounts (e.g., college savings plans); retirement accounts (e.g., IRA accounts), where your investments will be held with the custodian of the IRA.

In addition, we offer the option to hold cash in either money market funds (non-insured) or a bank account insured by the Federal Deposit Insurance Corporation (a "cash sweep vehicle") at Pershing LLC. IFP does not have a minimum account requirement for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements. More information about these minimum investment requirements is available in the investment's offering document or prospectus. Our financial professionals also provide recommendations concerning whether to buy, sell, or hold securities. You should also check with your Financial Professional as they have the option of imposing minimum requirements.

When we act in our capacity as a broker-dealer, we are subject to the Securities Act of 1933, the Securities Exchange Act of 1934, as amended, the rules of self-regulatory organizations, such as the Financial Industry Regulatory Authority, Inc. (FINRA), and applicable state laws.

Investment Adviser Capacity

As an investment adviser, we provide investment advice to you for a fee, including investment advice with respect to particular investments, and other investment advisory programs. When we act in our capacity as an investment adviser, we will generally do so pursuant to a written agreement with you that sets forth the investment advisory relationship and our obligations to you. When we act as an investment adviser to you, we are generally considered to have a fiduciary relationship with you under the Investment Advisers Act of 1940, which requires that we owe you a duty of care and a duty of loyalty.

More information about our investment advisory services, fees and costs, and conflicts of interest is available in our Form ADV, Part 2A brochure, which is available on our [website](#) or at adviserinfo.sec.gov.

TYPE AND SCOPE OF SERVICES

Brokerage Services

Our financial professionals can recommend and we can effect securities transactions for you, including the buying and selling of securities (including investment funds and products) that can be held in brokerage accounts, IRA accounts, or margin accounts which are typically accounts held with our clearing firm, as well as certain directly held accounts, and education accounts.

Brokerage services include recommendations concerning whether to buy, sell, or hold securities. The commissions we charge will be higher or lower than those charged by other broker-dealers. If we make a trade errors arising from transactions in your account we will correct those at our expense; however, we reserve the right to retain gains that may arise from correcting such errors. Agency cross transactions are not permitted. Your Financial Professional has the ability to aggregate orders for your account where aggregation is appropriate and practicable or will result in a more favorable overall execution for you.

Services also include recommendations of investment strategies involving securities, which includes recommendations of account types, and rollovers or transfers of assets, such as rolling over retirement plan assets into an IRA account. In addition, our brokerage services include certain margin account services, where you are extended credit (a loan) for the purpose of buying securities.

Advisory Services

Please refer to ADV part 2A for more information regarding the type and scope of services available through an investment advisory arrangement.

Account Types

In order to receive our brokerage services described above, you must first open an account with us. When opening an account with us, you may choose between many different options or account types for your brokerage account, including individual and joint accounts; retirement accounts (e.g., IRA accounts); and certain specialty accounts (e.g., margin accounts) held with our clearing firm.

In addition, our brokerage accounts offer certain cash management features, including the option to hold cash in a cash sweep vehicle. Our cash sweep vehicles allow you to hold your cash in interest-bearing money market funds (non-insured) or bank accounts insured by the Federal Deposit Insurance Corporation. FDIC insured accounts are not available to corporate clients.

Before deciding whether to open an account with us, please discuss our account options with your financial professional to decide which account type best fits your financial goals.

We are committed to helping financial professionals and their clients achieve success. We work alongside your financial professional, offering them a wide range of tools, services, and support to help you meet your goals. The clients our financial professionals serve include individuals, banking or thrift institutions, pension and profit-sharing plans, charitable organizations, insurance companies, corporations, and other business organizations.

Your financial professional will take into account the potential risks, rewards, and costs associated with a recommendation, to help ensure each recommendation they make to you is in your best interest and does not place their concerns or ours ahead of yours at the time the recommendation is made.

While we do not have a firm-wide investment strategy, many of our financial professionals recommend various forms of strategic asset allocation. An investment strategy is based upon objectives you define in consultation with your financial professional. Other strategies they may use include long-term buy and hold, short-term purchases, trading, short sales, margin transactions and option writing (including covered options, uncovered options or spreading strategies).

A margin transaction occurs when you borrow against your invested assets to make additional investments. The securities used as collateral on the margin loan are subject to sale if the loan becomes past due. Because of the effect of the leverage of borrowing, gains or losses from the securities you purchase on margin can be magnified.

RISKS AND LIMITATIONS

Any investment or investment strategy involves risk of loss you should be prepared to bear. Examples of risks you could face are:

Interest rate Risk: Fluctuations in interest rates generally cause investment values to fluctuate. For example, market values of bonds typically decline when interest rates rise, because the rising rate makes the existing bond yields less attractive.

Market Risk: External factors independent of a security's particular underlying circumstances will impact its value. The value of a security, bond or mutual fund can drop in reaction to tangible and intangible events and conditions, such as a political or social event or an economic condition.

Inflation Risk: Inflation means a dollar today buys more than a dollar next year. When inflation is present, your purchasing power typically decreases at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Also known as exchange rate risk, these risks are present in international mutual funds for example.

Reinvestment Risk: The risk that future proceeds from investments may be reinvested at a potentially lower rate of return is reinvestment risk. This risk primarily relates to fixed income securities.

Business Risk: Risks associated with a particular industry or a specific company impact the value of investments. For example, oil-drilling companies typically have more business risk than electric companies since they depend on finding oil and then refining it efficiently before they generate a profit. An electric company generates income from customers who buy electricity regardless of economic conditions.

Liquidity Risk: Liquidity means the ability to readily convert an investment into cash. Assets with many purchasers are generally more liquid. For example, Treasury Bills are highly liquid, while real estate properties are less so.

Financial Risk: A company with excessive borrowing or that takes significant business risks to generate profit is typically at a greater risk of financial difficulty or failure.

We do not have minimum account requirements, although some of the investments you can purchase through us have minimum investment requirements. Material limitations for advisory arrangements are provided in the applicable ADV 2A brochure. Notwithstanding the wide range of our brokerage services, there are certain material limitations on our services and the services of our financial professionals, and these limitations are set forth below.

Financial Professional Limitations: Not all of our financial professionals can offer the full range of investments and services we offer. For instance, some of our financial professionals are licensed to offer solely advisory or brokerage services, whereas other financial professionals are able to offer both brokerage and advisory services. In addition, some of our financial professionals are licensed to offer only certain types of investments, such as mutual funds and variable annuities, and are unable to offer the full range of investments we make available. This is a material limitation on the securities or investment strategies that your financial professional may recommend to you, and you should discuss any such limitations with your financial professional. In addition, you may research your financial professional's experience and licenses on FINRA's BrokerCheck website at www.brokercheck.finra.org or on the SEC's website at www.investor.gov/CRS.

Investment Limitations: While we offer a wide range of investments, including investment funds and products, there are certain types of investments we do not offer. For instance, we do not offer all mutual funds from every single mutual fund company issuer, or every type of ETF. We also do not offer every share class of a mutual fund that may be available by prospectus. Similarly, we do not offer every type of insurance product or college savings plan. This means that our financial professionals are limited to recommending only those investments that we make available. This is a material limitation on the securities or investment strategies that our financial professionals may recommend to you.

Account Monitoring: Unless engaged in an investment advisory capacity, our financial professionals do not monitor your account after effecting a securities transaction for you, including those investments our financial professionals recommend. While our financial professionals remain available to assist you and may periodically review your account(s) to offer subsequent recommendations, our financial professionals do not automatically monitor your account or your investment performance after effecting a securities transaction for you. This is a material limitation on our services and the

services of our financial professionals.

Discretionary Investment Authority: Unless engaged in an investment advisory capacity where discretion has been authorized, our financial professionals do not make investment decisions for you or manage your account on a discretionary basis. Because our financial professionals do not have discretionary investment authority, we cannot buy or sell investments in your account without first obtaining your consent. Our financial professionals may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments, and we will only do so when specifically directed by you. This is a material limitation on our services and the services of our financial professionals.

Discounted Commissions: Given the wide range of brokerage services we and our financial professionals offer you as a full-service brokerage firm, which is reflected in our commission structure. We are not a discount brokerage firm and do not offer similarly discounted brokerage commissions. This is a material limitation on our services.

Custody of Accounts: We limit what account types may be opened as well as limiting which types of accounts may be held direct. Please see section 1.1 Broker-Dealer Capacity for further discussion around this material limitation on our services.

FEES AND COSTS

This section provides information about the material fees and costs associated with your account, transactions, and holdings. Because our fees vary depending on the specific transaction or service provided, the information below first describes the fees and costs associated with your account, and then the fees and costs associated with transactions and investment holdings that our financial professionals may recommend.

Fees and costs associated with advisory arrangements are described in the applicable Form ADV 2A brochure.

You must first open an account with us to use our brokerage services. Our retail platform offers an array of account types with different features and benefits that are intended to address the different needs and objectives of our retail customers. When opening an account with us, you will choose between the different options or account types we make available for your brokerage account.

Depending on the type of account you open, you will pay certain fees and costs associated with your account and holdings.

Transaction Fees: We are paid each time you trade in your brokerage account or make a new investment where a transaction charge is assessed. This payment is typically called a "commission," but it is often called a "sales charge" or a "markup." This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments. The commission rate or amount varies depending on the investment and the size or amount of the transaction. You will pay a higher or lower markup than other clients pay for similar services.

Account Transfer Fees: We generally charge you a one-time fee to reimburse us for the costs associated with transferring your account to another broker-dealer. The account transfer fee includes fees associated with the Automated Customer Account Transfer System, commonly referred to as the ACAT fee. The fee is assessed when you initiate the transfer of your account to another broker-dealer.

Paper Surcharge Fees: We generally charge for paper confirmations and statements to be physically printed and mailed to you. You can avoid this fee by electing to have electronic delivery for statements and confirms. Additional account

charges apply based on the type of account and/or features to your account. Please ask your financial professional about other charges specific to your account.

Because the fees and costs vary among investments, set forth below and on the following pages is particularized fee and cost information regarding the types of transactions and investment holdings generally purchased or traded by our retail customers. More information about commission payments, including the commission schedules we use, is available from your financial professional.

Equities

We offer a wide range of equity securities, which give stockholders a share of ownership in a company. Before deciding to buy or sell an equity security, such as a publicly traded company, it is important for you to evaluate the risks associated with the company. As part of this evaluation, you will want to carefully review the company's relevant disclosure documents, such as its initial registration statement and prospectus in the case of an initial public offering, or its most recent audited financial statement in the case of a secondary market transaction. Stocks in public companies are registered with the SEC and in most cases, these companies are required to file reports with the SEC quarterly and annually. You may access these disclosure documents on the SEC's website.

Buying and selling stocks entails fees. You will typically pay a commission every time you buy or sell an equity security. You will pay this commission in addition to the price you pay for the equity security you choose to buy or sell. Typically, the commission is 2% with a \$25 minimum commission, however the commission will be larger on smaller trades to cover the financial professional's cost of the trade. Your commission will also increase if the transaction is larger than 2,099 shares of an NYSE/listed security. Our transaction charges will be higher or lower than other firms offering comparable services.www.sec.gov.

Bonds

We offer a wide range of bonds, such as corporate bonds, government bonds, and municipal bonds. Bonds are debt securities issued by corporations, governments, or other entities that pay fixed or variable interest rates to investors for a specific period of time. When the bond reaches maturity, the bond issuer generally returns the principal amount of the bond to investors. There are many types of bonds and the features, characteristics, and risks associated with bonds can vary significantly.

For most bonds, a bond's coupon rate is the rate of interest it pays annually and is expressed as a percentage of its face value. Usually, the coupon rate is calculated by dividing the sum of coupon payments by the face value of a bond.

Bonds generally are priced at an initial face value (sometimes called "par" value) of \$1,000 per bond. However, once the bond is traded on secondary markets, the bond's price can be lower than the face value, which is referred to as a "discount," or higher than the face value, which is referred to as a "premium." If the bond is priced at a discount, the investor will receive a higher interest yield (return) as a result of paying less than the face value. On the other hand, if the bond is priced at a premium, the investor will receive a lower interest yield (return) as a result of paying more than the face value. Bond prices typically have an inverse relationship with bond interest yields (e.g., as bond prices decrease, interest yields increase; as bond prices increase, interest yields decrease).

Unlike equities, where prices are usually evaluated based on their daily closing prices, many bonds do not have a uniform closing price because they are traded in over-the-counter (OTC) markets or another negotiated market. Bond prices are affected by many different factors, including but not limited to, supply and demand for the bond, the issuer's credit rating,

bond size, interest rates, and age-to-maturity. With regard to the age-to-maturity pricing factor, bonds are paid in full (at face value) when they mature, though there are options to call, or redeem, some bonds before they mature (and some bonds permit the issuer to call the bond prior to maturity). Since a bondholder is closer to receiving the full face value as the maturity date approaches, the bond's price moves toward par as the bond ages. Many bonds are priced by discounting the expected cash flow to the present using a discount rate.

More information describing a specific bond's features and risks is available in the bond's offering document. More information about bonds in general, including pricing and issuer credit ratings, is available on FINRA's website at www.finra.org. In addition, more information about government bonds is available on the Municipal Securities Rulemaking Board's (MSRB) website at www.msrb.org.

You will typically pay a "markup" as a transaction cost to the clearing firm when you buy a bond, as most bonds are traded on a principal (dealer) basis in the OTC market (although some bonds may be bought on an agency (commission) basis). With most bonds, instead of charging you a commission to perform the transaction for you, the broker-dealer marks up the price. When you buy bonds through a broker-dealer on the secondary market, the bonds will have price markups. The markup thus represents the difference between the price a broker-dealer pays for a bond and the price at which it is sold to you by the broker-dealer. The amount of a markup/markdown charged on a bond transaction will depend on a number of factors and particular circumstances for each transaction, including the type of bond (corporate, government, or municipal), transaction size, credit quality, unit price, maturity, liquidity, and market scarcity.

With new issues of bonds, the broker-dealer's markup generally is included in the par value, so you do not pay separate transaction costs. Everyone who buys a new issue pays the same price, known as the offering price. If you are interested in a new issue of a bond, you can get an offering document describing the bond's features and risks.

If you sell a bond before it matures, you could receive more or less than the par value of the bond. Either way, the clearing firm will mark down the price of your bond, paying you slightly less than its current value (and will then mark up the price slightly upon resale to another investor). This is how broker-dealers are compensated for maintaining an active secondary market. Part of the profit earned by the clearing firm in marking up and marking down bond prices is shared with us for acting as the introducing broker-dealer on the transactions.

Options

We offer option contracts for you to buy or sell. Options are contracts that give you the right, but not the obligation, to buy or sell an underlying asset at a fixed price within a certain period of time. Various exchanges operating in the United States and regulated by the SEC offer public trading markets where different types of options are bought and sold, such as equity, index, and interest rate options. An option contract that gives you the right to buy the underlying asset is referred to as a "call" option, and an option contract that gives you the right to sell the underlying asset is referred to as a "put" option. Most options have certain standardized terms that indicate the nature and amount of the underlying asset, the expiration date, the exercise price, and whether the option is a call or put. Many securities that are publicly traded in the United States have put or call options contracts, which are available for trading on an exchange in the United States. Equity options, for example, are designated by reference to the issuer of the underlying security, the expiration month or expiration date of the option, and the option's exercise price and type (put or call).

You will typically pay a commission every time you buy or sell an option contract. You will pay this commission in addition to the premium associated with the option contract, which you will pay regardless of whether you choose to exercise the option to buy or sell the underlying asset. The premium is not a standardized term of the option contract. The premium

does not constitute a “down payment.” The premium is a non-refundable payment and is in addition to the commission.

Mutual Funds

We offer a wide range of mutual funds from many different mutual fund companies. Mutual funds are registered investment companies that issue redeemable securities. Mutual funds issue shares on a continual basis, and there is no secondary trading market for mutual fund shares. Mutual funds are required to sell their shares at the fund’s net asset value (NAV) per share plus any applicable sales charge or load, which is described below. The fund’s NAV is calculated by dividing the total value of all the fund’s assets, minus any liabilities such as ongoing fees and expenses (described below), by the number of shares outstanding.

An important aspect of mutual fund investing is to read the mutual fund’s prospectus carefully before investing. Each mutual fund prospectus contains important information that will help you make an informed decision about an investment in a mutual fund. In deciding whether to invest in a mutual fund, you should consider several different factors, including your risk tolerance and time horizon, the mutual fund’s investment objective, the underlying securities in the fund, the investment adviser responsible for the management of the mutual fund’s assets, and the fees and expenses associated with an investment in a particular mutual fund. While past performance of a mutual fund is not indicative of future results, a mutual fund’s long-term track record, the portfolio manager’s experience and tenure with the fund, and the fund’s underlying fees may be important factors in deciding to invest in a mutual fund. We do not offer every mutual fund or every share class of every mutual fund commercially available.

While there are no standard definitions for these share classes, and each mutual fund defines its share classes in its prospectus, set forth below are some basic descriptions of the share classes available to you:

Class A – This share class usually carries a front-end sales charge, which is typically assessed as a percentage of your investment. This means that a sales charge is deducted from your investment each time you purchase shares in the mutual fund. Class A shares also typically have ongoing fees and expenses, which sometimes include fees commonly referred to as 12b-1 fees, and these 12b-1 fees are intended to finance distribution activities intended primarily to result in the sale of additional shares of the mutual fund. Despite these ongoing fees and expenses, Class A shares typically have lower operating expenses compared to the other share classes of the same mutual fund that may be available to you. This means that ongoing costs will typically be lower than ongoing costs associated with other share classes of the same mutual fund that are available to you. Many mutual funds offer “breakpoint” discounts for large investments in Class A shares, which means that the front-end sales charge decreases as the investment increases. These breakpoints are described in the mutual fund’s prospectus.

Class C – This share class is characterized by a level asset-based sales charge that you pay annually as a percentage of your assets. It does not have a front-end sales charge like Class A shares but does have a contingent deferred sales charge (also known as a CDSC). This CDSC means that you pay a sales charge when you sell your mutual fund shares. The amount of the CDSC is typically assessed as a percentage of your investment, and it declines over time and eventually is eliminated the longer you hold your shares. Most Class C shares generally eliminate the CDSC after one year. Class C shares typically offer higher underlying expenses than Class A shares, which means over time, Class C shares can be more costly to invest in than Class A shares.

Breakpoints: While it may make sense to own mutual funds from different mutual fund companies, it can increase the total sales charges that you pay to purchase those mutual funds. Mutual fund companies often offer discounts or reduced sales charges based on the total amount you choose to invest with the mutual fund company. The investment levels

needed to receive these discounts are known as breakpoints. Mutual fund companies typically allow you to combine holdings with those of immediate family members to reach these breakpoints. Set forth below are some common ways you can receive the benefits of breakpoints.

Rights of Accumulation: "Rights of accumulation" allow you to combine your mutual fund purchase with your existing investment in the mutual fund company to reach a breakpoint.

Closed-End Funds

We offer a wide range of closed-end funds, including interval funds, from many different fund companies. An important aspect of closed-end fund investing is to read the fund's prospectus carefully before investing. Each closed-end fund prospectus contains important information that will help you make an informed decision about an investment in a closed-end fund. In deciding whether to invest in a closed-end fund, you should consider several different factors, including the fund's investment objective, investment strategies and risks, the investment adviser responsible for the management of the fund's assets, and the fees and expenses associated with an investment in a particular closed-end fund.

Similar to mutual funds, closed-end funds are pooled investment vehicles. However, there are some important differences between these types of funds. Unlike mutual funds, most traditional closed-end funds do not continuously offer their shares for sale. Instead, such funds typically sell a fixed number of shares through an initial public offering, after which their shares typically trade on a secondary trading market. The price of shares in a closed-end fund that trades on a secondary market after their initial public offering is determined by the market and can be higher or lower than the shares' NAV. In addition, there are certain non-traded closed-end funds that do sell their shares on an ongoing basis, and do not trade on a secondary trading market.

Many closed-end funds have no "maturity" or termination date, and shareholders will exit their investments only by selling shares on the secondary trading market. Nonetheless, these closed-end funds without termination dates are still terminated based on the investment manager's decision. Certain other closed-end funds, however, have a specified or targeted termination date, at which time the shareholders receive an amount equivalent to the shares' NAV at the termination date. Non-traded closed-end funds typically contemplate having a "liquidity" event at some point once the fund's offering has ceased. Liquidity events include listing the fund's shares on a secondary trading market and liquidation.

Unlike mutual funds, closed-end fund shares are not redeemable, which means that the fund is not required to buy shares back from investors upon request. Non-traded closed-end funds typically offer to repurchase their shares from investors in periodic tender offers. In addition, some closed-end funds, commonly referred to as "interval funds," offer to repurchase their shares from investors at specified intervals. The shares of an interval fund typically do not trade on a secondary market and interval funds generally offer their shares on a continuous basis at a price based on the fund's NAV. In order to operate as an interval fund, the fund must offer to repurchase its shares at regular intervals every three, six, or twelve months, as disclosed in the fund's prospectus. The price that interval fund shareholders receive on a repurchase will be based on the per share NAV determined as of a specified date, minus any redemption fees or charges that may apply to the transaction.

You will typically pay a sales charge when you buy shares in a closed-end fund's public offering, or a commission if you buy and sell shares in a closed-end fund in a secondary trading market. You will pay this sales charge or commission in addition to the amount of the fund you choose to buy or sell. Some interval funds also charge you a redemption charge when you accept an interval fund's offer to repurchase your shares. This redemption charge is a one-time fixed fee. Unlike the sales charges and commissions, the redemption charge is not paid to us, but is paid to the fund to compensate it for

expenses associated with the repurchase.

Closed-end funds, including interval funds, also deduct other ongoing fees and expenses, such as management fees, from fund assets. In addition, the ongoing fees and expenses of many interval funds include 12b-1 fees, and these 12b-1 fees are intended to finance distribution activities intended primarily to result in the sale of additional shares of the interval fund, and include marketing and advertising expenses. These ongoing fees and expenses, which are reflected in the fund's overall expense ratio, are typically used to pay for the fund's continued operations, such as paying the fund's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. These ongoing fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

Exchange-Traded Funds

We offer a wide range of exchange-traded funds (ETFs). ETFs are investment funds that are listed for trading on a national securities exchange and can be bought and sold by prospectus in the equity trading markets. Shares in the ETF represent an interest in a portfolio of securities. ETFs possess characteristics of both mutual funds and closed-end funds. Similar to mutual funds, an ETF pools assets of multiple investors and invests those pooled assets according to its investment objective and investment strategy. ETFs also continuously offer their shares for sale like mutual funds. In addition, ETFs share certain characteristics with closed-end funds, namely that the fund's shares trade on a secondary market and may trade at prices higher or lower than the fund's NAV.

ETFs do not sell or redeem individual shares. Instead, certain "authorized participants" have contractual arrangements with the ETF to purchase and redeem ETF shares directly from the ETF in blocks called "creation units" and "redemption units," respectively, where each creation or redemption unit typically represents 50,000 shares of the ETF. After purchasing a "creation unit," the authorized participants generally sell the ETF shares in the secondary trading market. This creation and redemption process for ETF shares provides arbitrage opportunities designed to help keep the market price of ETF shares at or close to the NAV per share of the ETF. For example, if ETF shares are trading at a price below the NAV (generally referred to as a "discount"), an authorized participant can purchase ETF shares in secondary market transactions, and – after accumulating enough shares to compose a "redemption unit" – redeem them from the ETF for the more valuable underlying securities. The authorized participant's purchase of ETF shares in the secondary market would create upward pressure on ETF share prices, which would bring them closer to the NAV per share of the ETF.

You will typically pay a commission every time you buy or sell shares in an ETF. You will pay this commission in addition to the amount of the ETF you choose to buy or sell. This commission is a one-time fixed fee.

ETFs also deduct ongoing fees and expenses, such as management fees, from ETF assets. These ongoing fees and expenses are typically used to pay for the ETF's continuing operations, such as paying the ETF's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. ETFs generally have lower expense ratios than mutual funds because most ETFs are not actively managed and, therefore, do not incur the internal costs of buying and selling the underlying portfolio securities. However, this is not always the case as there is a wide variety of ETFs available with different underlying management strategies. These ongoing fees and expenses are typically charged annually as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

Unit Investment Trusts

We offer a wide range of unit investment trusts (UITs). UITs are pooled investment vehicles in which a portfolio of

securities is selected by the trust's sponsor and deposited into the trust for a specified period of time. The UIT's portfolio of securities is not actively traded, as the trust generally follows a "buy and hold" investment strategy. The portfolio will generally remain fixed until the termination of the trust. UIT term lengths vary, but generally speaking, they have a maturity date that is between 15 to 24 months from the initial offering date.

At the UIT's maturity, an investor typically has three options. One is to receive the proceeds based on the value of the investment. An investor could also roll over into a newly issued UIT. Another option that may be available to investors in limited circumstances is to receive proportionate shares of the securities held in the portfolio. The UIT's portfolio is generally designed to follow an investment objective over a specified period of time. A UIT is formed by the trust sponsor, who enters into an agreement with the trustee. When the trust is formed, several investment terms and conditions are set forth in the trust agreement, such as the trust objective, what securities will be placed in the trust, when the trust will terminate, and what fees and expenses will be charged to the trust's assets. These terms and conditions of the trust will be listed in the prospectus.

You will typically pay a sales charge when you buy units in a UIT's initial offering, or a commission when you buy or sell units in a UIT in a secondary trading market. You will pay this sales charge or commission in addition to the amount of the UIT you choose to buy or sell. In some instances, collection of all or part of a sales charge is deferred over a period subsequent to the settlement date for the purchase of units. Typically, the deferred sales charge is deducted from the unitholder's distributions on the units during the collection period until the total amount of the sales charge is paid.

Repeatedly selling UITs before their maturity date followed by the purchase of a newly issued UIT will cause you to incur sales charges with greater frequency. UITs also deduct other fees and expenses from trust assets, such as organizational and operating expenses. These fees and expenses include portfolio supervision, recordkeeping, administrative fees, and trustee fees. UITs also charge creation and development fees, which compensate the sponsors for creating and developing the trusts. However, UITs generally do not deduct a separate management fee because the portfolio is not actively managed.

Alternative Investments

We offer a variety of alternative investments including but not limited to real estate, private debt, private equity, hedge funds and managed futures products. Some of these products are not traded on public exchanges, are illiquid and present unique risks that involve a greater risk to the principal investment than traditional investments such as stocks, bonds and mutual funds. When purchasing you should carefully review the applicable offering memorandum or prospectus for a description of the material risks associated with these products. Alternative investments are typically designed for higher net worth investors seeking to diversify a portfolio through exposure to the underlying asset class, such as real estate or other assets less correlated to the equity market. Some alternative investments are only available for purchase by accredited or qualified investors meeting minimum net worth requirements.

We offer both publicly traded alternative investments, which are typically listed for trading on a national securities exchange, and non-traded alternative investments, which are not listed on a public exchange. While publicly traded alternative investments can be bought and sold on a secondary trading market, non-traded alternative investments cannot be bought or sold readily in a secondary trading market and are typically only available for purchase when the sponsor of the offering is selling shares. While the market price for shares of traded alternative investments is readily available, that is not the case for some shares of non-traded alternative investments.

Shares of non-traded alternative investments are considered to be illiquid investments because you are not be able to sell

your shares readily. Also, in the case of non-traded alternative investments with distributions, distribution yields typically come from offering proceeds or borrowings rather than from rental or other income sources, reducing the amount available to invest in other assets. The interests of portfolio managers, who receive fees from the portfolio for managing and assisting with asset acquisitions, can conflict with the interests of the shareholders of the non-traded alternative investments. Additionally, certain product types will lack portfolio transparency when compared to their publicly traded counterparts. We limit our offering of non-traded alternative investments to those approved by the broker dealer. Your financial professional can provide more detail as to the fees and costs of any specific offering we make available.

College Savings Plans

We offer various college savings plans, which are a type of 529 plan. 529 plans are tax-advantaged and state-sponsored investment programs designed specifically for education savings and named after the section of the Internal Revenue Code that authorized them. There are two general types of 529 plans: college savings plans and prepaid tuition plans. College savings plans are securities that allow investment earnings to grow tax-deferred, and withdrawals are exempt from federal taxation when used for qualified educational expenses. College savings plans generally operate through state-sponsored trusts and permit investors to allocate contributions to one or more trust portfolios or "investment options" offered in the plan. Prepaid tuition plans allow investors to "lock in" tuition rates at certain specified educational institutions. Every state offers at least one type of these 529 plans, and some states offer both types of 529 plans. The remainder of this disclosure discusses college savings plans.

College savings plan contributions are generally invested in certain underlying investment options, such as mutual funds, that support the plan. The contributions will fluctuate in value as the underlying investment options increase or decrease, and there is no guarantee that the amount contributed to the college savings plan will equal the amount necessary for future education expenses. Although similar to mutual funds in certain ways, college savings plans are issued by state governments, and are not directly regulated or registered under the federal securities laws. An important aspect of investing in college savings plans is to read the offering document (often called a program description or "official statement") carefully before investing. Each program description contains important information that will help you make an informed decision about an investment in a college savings plan. In deciding whether to invest in a college savings plan, you should consider several different factors, including each investment option's past performance, investment objective, investment strategy and risks, the investment adviser responsible for advising the state issuer, and the fees and expenses associated with an investment in a particular investment option. While past performance of an investment option is not indicative of future results, an investment option's long-term performance record may be an important factor in deciding to invest.

You will typically pay a sales charge when you purchase a college savings plan. We receive a portion of this sales charge for the sales and related services we provide to the primary distributor of the college savings plan. Most college savings plans offer multiple units (often called share classes), similar to the share class structure offered by many mutual funds. Though there are several types of college savings plan share classes, we typically offer Class A and Class C, depending on the time horizon you provide to your financial professional. Each class typically has different fees and expenses, and therefore investment option performance results will differ as those fees and expenses reduce performance across share classes. You should also note that the amount of time you expect to hold your investment in a college savings plan will play an important role in determining which share class is most appropriate for you, and you should discuss this consideration with your financial professional.

College savings plans typically deduct certain ongoing fees and expenses from each investment option, such as program management fees, from assets in the investment options. Although these ongoing fees and expenses vary based on your

college savings plan, some of the more common ones are set forth below:

Program Management Fee – College savings plans generally deduct a program management fee to pay the program manager for providing investment advisory, accounting, and other services to the plan. This fee is typically charged annually as a percentage of your assets and is reflected in the NAV of the plan's investment options.

Maintenance Fee – Most college savings plans charge an annual maintenance fee. This fee, which compensates the plan sponsor for costs of maintaining the plan, may be waived in certain circumstances, such as when your plan assets exceed certain thresholds.

Underlying Mutual Fund Expenses – Most college savings plan investment options invest in one or more mutual funds and bear a portion of the fees and expenses of these underlying funds. The underlying mutual fund expenses are deducted from fund assets and reflected in the NAVs of the underlying mutual funds, which means they are also reflected in the NAV of the college savings plan's investment options. More information on the mutual funds that underlie the plan's investment options is available in the college savings plan's offering document. In addition, more information on the underlying mutual funds, including their ongoing fees and expenses and overall expense ratio, is available in the funds' prospectuses.

You pay these fees and expenses indirectly as they are deducted from your investment option assets, or the assets of underlying mutual funds, on an ongoing basis.

Variable Insurance and Fixed Index Products

We offer variable annuities, fixed index annuities, and variable life insurance policies (variable products). These variable products are issued by different insurance companies and will be in the form of a contract or policy between you and the insurance company. Not all financial professionals offer variable insurance products or Fixed Indexed Annuities. There are differences from one variable product to the next in the features, benefits, fees and costs of the product, and in minimum and maximum premium amounts. Below is general information about most variable products. Information about the particular features, benefits, fees and costs for a specific variable product can be found in the prospectus, private placement memorandum or the Contract Summary/Statement of Understanding for that product. Your financial professional will provide you with a copy of the prospectus, private placement memorandum or Contract Summary/Statement of Understanding for the variable product that your financial professional recommends to you.

Variable and fixed index annuities can help with saving for retirement. Funds invested in these annuities can grow tax-deferred. This means you will pay no federal taxes on the income and investment gains on the funds you invest in your annuity until you make a withdrawal, receive income payments, or a death benefit is paid. When you withdraw your funds, however, you will pay tax on the gains at ordinary federal income tax rates rather than lower capital gains rates. When you start taking income payments, you can select payment options that will guarantee you payments for as long as you live. Some annuities offer additional features and guarantees, available as options or riders. Guarantees are subject to the claims paying ability of the issuing insurance company.

Variable life insurance provides life insurance protection (i.e., a death benefit) and also allows you to build up a cash value that can grow tax-deferred. Most variable life insurance policies allow you to take out loans against your cash value and to make withdrawals (as long as the remaining cash value is sufficient to keep the policy in force). You can also terminate your policy by surrendering it and receiving the remaining cash value. Terminating your policy will terminate your death benefit protection. Most insurance companies offer riders and other options with their variable life insurance policies, such as disability insurance, income benefits or accelerated death benefits.

When you purchase a variable annuity, fixed index annuity, or variable life insurance product, your insurance premium contributions (net of any fees and charges deducted from premiums) are invested in the investment options – typically underlying investments called sub-accounts or indices that you select. The value of your investment – usually referred to as your cash value – will fluctuate as the values of the underlying sub-accounts or indices increase or decrease.

Most insurance companies impose a minimum requirement on the initial premium. In the case of variable life insurance, you will likely be required to make premium payments periodically to keep the policy in force. While you may have some flexibility in the amount or timing of these periodic premium payments, you should consider whether you can afford to continue making premium payments when deciding to purchase a variable life insurance policy. If you fail to make sufficient payments to keep the policy in force, the policy will lapse (that is, terminate without value) and you will no longer have any death benefit protection.

Variable products are not short-term savings vehicles. Withdrawing funds or surrendering a variable product in the short term after purchase will likely trigger surrender fees and charges and may also trigger tax penalties. In some products, you can lose the money you invest in variable products, including potential loss of your initial investment, due to poor performance of the investment options you select and/or the cumulative impact of fees and charges on your cash value. Read the prospectus, private placement memorandum or Contract Summary/Statement of Understanding to understand if your contract offers any market loss protections.

SERVICES AND LICENSING

IFP, thru its Financial Professionals, will assist you in making an account assessment. When we make recommendations regarding your brokerage account, we are acting as a broker-dealer. When we make recommendations regarding your advisory account, we are acting as an investment adviser. When we make a recommendation to you, we will expressly tell you which account we are discussing.

Through our network of Financial Professionals, we offer the following investment opportunities to help individuals and families grow assets and protect what matters most:

- ❖ Mutual Funds
- ❖ Variable Products
- ❖ Retirement Plans
- ❖ Individual Securities
- ❖ Asset Management Programs
- ❖ Unit Investment Trusts (UITs)
- ❖ Fixed Income Securities
- ❖ Alternative Investments
- ❖ Third-Party Investment Managers
- ❖ 529 College Savings Plans
- ❖ Financial Planning/Consulting

PERMITTED ACTIVITIES

Series 6

An individual who holds a Series 6 license is qualified for the solicitation, purchase and/or sale of the following securities products:

- ❖ Mutual funds (closed-end funds on the initial offering only)
- ❖ Variable annuities
- ❖ Variable life insurance
- ❖ Unit Investment Trusts (UITs)
- ❖ Municipal fund securities [e.g., 529 savings plans, local government investment pools (LGIPs)]

Series 7

An individual who holds a Series 7 license is qualified for the solicitation, purchase and/or sale of all securities products, including corporate securities, municipal fund securities, options, direct participation programs, investment company products and variable contracts.

Covered activities and products include:

- ❖ Public offerings and/or private placements of corporate securities (stocks and bonds)
- ❖ Rights
- ❖ Warrants
- ❖ Mutual funds
- ❖ Money market funds
- ❖ Unit investment trusts (UITs)
- ❖ Exchange-traded funds (ETFs)
- ❖ Real estate investment trusts (REITs)
- ❖ Options on mortgage-backed securities
- ❖ Government securities
- ❖ Repos and certificates of accrual on government securities
- ❖ Direct participation programs
- ❖ Securities traders
- ❖ Venture capital
- ❖ Sale of municipal securities

CLEARING FIRM, CUSTODIAN and DIRECT BUSINESS

What is a clearing firm?

Clearing firms, also known as clearing corporations or clearing houses, handle the back-end operations behind making securities trades happen once a trade is submitted. Essentially, clearing firms make sure that your money and stocks make it to their intended destinations when you place trades by serving as the intermediary between your account and another buyer or seller's account.

What is a custodian?

A custodian is a financial institution that holds customers' securities for safekeeping in order to minimize the risk of theft or loss. A custodian holds securities and other assets in electronic or physical form. Since they are responsible for the safety of assets and securities that may be worth hundreds of millions or even billions of dollars, custodians generally tend to be large and reputable firms.

How a custodian works

In addition to holding securities for safekeeping, most custodians also offer other services, such as account administration, transaction settlements, the collection of dividends and interest payments, tax support, and foreign exchange. The fees charged by custodians vary, depending on the services that the client desires. Many firms charge quarterly custody fees that are based on the aggregate value of the holdings.

A custodian may also have the right to assert possession over the assets, if required, often in conjunction with a power of attorney. This allows the custodian to perform actions in the client's name, such as making payments or changing investments.

As custodian of your brokerage account, the custodian at the direction of our broker-dealer, is responsible for the following: the execution, clearance, and settlement of securities transactions, preparing and sending periodic statements and transaction confirmations, the custody (or safekeeping), receipt, and delivery of funds and securities, and the extension of margin credit upon approval.

Our firm offers brokerage account services through **Pershing LLC**, a well-known clearing firm across the financial services industry. Our firm and other broker-dealers use clearing firms as custodians to hold clients' brokerage account assets, execute trades, provide customer confirmations and statements, and handle tax-related reporting activities.

How Direct Business Works

On the surface, direct business is simple. On behalf of a client, we buy the security directly from the companies. These assets are held directly at the companies versus a brokerage account. Typically, it is carried out in the following ways:

1. Check and App: The Financial Professional completes a paper application, then you would sign the paperwork and writes a check. Then the paperwork and check are sent directly to the company.
2. Wire Transfer: The broker-dealer arranges for an electronic transfer from an investor's account to the company. In some cases, firms use a special holding account for all transfers. Typically, the paperwork applications are transmitted when the funds are transferred.

Typically, direct business is used to facilitate the purchase of mutual fund shares, 529's or alternative investment private offerings but can be used for other security purchases.

CONFLICTS OF INTEREST

We have identified certain conflicts of interest (conflicts) that relate to the recommendations we and our financial professionals make. A conflict arises when an economic benefit incentivizes either us or a financial professional to put our interests and/or the interests of the financial professional ahead of the interests of a retail customer. Some of these conflicts exist between retail customers and both our firm and financial professionals, while others exist between retail customers and our firm alone or between retail customers and financial professionals alone. The section below discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation a financial professional provides you. Where a conflict is unique to an advisory arrangement, it is provided in the applicable Form ADV 2A.

Conflicts between retail customers and both our firm and financial professionals are caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, or trading arrangements. The material facts relating to these conflicts are as follows:

- Revenue Sharing - Certain product sponsors and/or service providers pay extra compensation to IFP, referred to as revenue sharing. IFP has established revenue sharing arrangements with a select group of Companies that offer a broad spectrum of products. These Companies participate in activities that are designed to help facilitate the distribution of their products and/or platforms. Companies participating will have greater access to our financial

professionals through marketing activities, training, and other educational presentations so that our financial professionals can better serve their clients.

Additional information regarding revenue sharing arrangements can be found at www.ifpartners.com/disclosures or by contacting us at 813-341-0960.

- We are paid each time you trade in your brokerage account or make a new investment. We also pay our financial professionals a portion of the transaction-based payments that we receive. These transaction-based payments, usually called commissions, incentivize us and your financial professional to encourage you to trade more and purchase additional investments that result in additional revenue for our firm and your financial professional.
- For some investments you purchase based on our recommendation, we receive payments from a third-party that are in addition to the transaction-based payments described above. This is typically the case when you purchase mutual funds, college savings plans, and variable products. For example, certain issuers make ongoing payments to us based on invested assets (and not just new investments), such as 12b-1 fees, shareholder servicing fees or trail compensation. These third-party payments are described in further detail in the prospectus or offering materials for the investment, which will be made available to you in connection with any purchase. All of these third-party payments incentivize us and your financial professional to sell you or recommend you hold investments that entail these payments rather than investments that do not entail these payments or entail comparatively lower payments.
- Some investments, such as mutual funds, college savings plans, and variable annuities offer multiple share classes, and depending on the share class in which you are invested, we will earn higher commissions, ongoing payments and/or other compensation. These comparatively higher commissions, ongoing payments and other compensation incentivize us and your financial professional to sell to you or recommend you the share class in a multi-share class structure that results in the most compensation for us and is likely to be more costly for you.
- We pay our financial professionals a percentage of fees and commissions. Our financial professionals receive a higher percentage as their production of fees and commission increases. We will also aggregate the production of several financial professionals in the same branch or firm which can allow them to reach higher payouts more quickly than if the payout were based on individual production. The practice of providing a tiered payout and aggregation of production creates a conflict of interest as your financial professional is incentivized to increase their production to obtain higher compensation percentages and additional compensation. In addition, certain financial professionals that meet internal criteria, that include production, receive additional benefits such as practice management consulting or producer trips.
- Some of our financial professionals participate in incentive trips and receive other forms of non-cash compensation such as being taken to lunch and other events including or educational events sponsored by a wholesaler. Typically, these incentives are based on the amount of their sales and services. To the extent your financial professional participates in an incentive trip or receives other forms of non-cash compensation, a conflict of interest exists in connection with the recommendation of products and services for which they receive these additional economic benefits.
- We allow financial professionals to receive marketing reimbursements from product providers to help defray marketing expenses. There is no requirement or expectation that financial professionals refer clients to or place assets

with such providers, however, this compensation serves as an incentive to recommend the products and services of those vendors from whom they receive such compensation.

- Financial professionals are permitted the receipt or provision of gifts of up to \$100 for per giver or recipient per year.
- Some of our financial professionals engage in outside business activities. If your financial professional engages in any outside business activities, these activities can incentivize your financial professional to spend more time on the outside business activity rather than on his or her brokerage or advisory relationship with you. You may research any outside business activities your financial professional has on FINRA's BrokerCheck website at brokercheck.finra.org or on the SEC's website at investor.gov/CRS.
- When you engage in a rollover to an IRA, we and your financial professional will receive compensation in connection with the investments you hold in your IRA account. IRA rollover recommendations incentivize us and your financial professional to encourage the purchase of investments that result in additional compensation for us and your financial professional.
- Many of our financial professionals offer investment advisory services through an IFP Affiliate. While you are not obligated to engage your financial professional in their capacity as an investment advisor representative, to the extent you do so, both your financial professional and our affiliate firm will receive additional compensation related to those services. This increased compensation results in a conflict of interest for both us and your financial professional as it results in increased compensation to both parties. Similarly, if our financial professionals recommend that you purchase or sell products and services of or through other IFP Affiliates, these IFP Affiliates, receive compensation as a result. Such a recommendation creates a conflict of interest since it would result in increased compensation to a IFP Affiliate, and potentially your financial professional.
- IFP participates in Pershing LLC's FUNDVEST® ticket charge program. This program offers no-load mutual funds and ETF's to be purchased for you with no transaction fees. Through formal agreements IFP is eligible to receive revenue for assets that are held within the NTF program. Restrictions apply in certain situations. Financial Professionals who absorb ticket charges for you have access to utilize these NTF Funds. Even though these payments are not shared with your Financial Professional, the receipt of these additional payments create a conflict of interest because of the increased compensation to IFP.
- In order to help cover or defray the costs of transitioning from another firm to IFP, our financial professionals may be eligible to receive various forms and amounts of transition assistance. Such transition assistance will include loans, rent, technology services and equipment, legal expenses, administrative support, termination fees associated with moving accounts and regulatory services, payments based on production, reimbursement of fees, free or reduced-cost marketing materials, attendance at conferences and events, and access to preferred pricing. We also receive compensation from our custodians, clearing firm and/or sponsors to offset the cost of transitioning assets.
- You can choose to participate in Pershing LLC's Loan Advance program. In this program, a client who would benefit from having an alternative for accessing credit for financial needs, can do so in the form of a non-purpose loan. IFP receives revenue for your participation in this program. Even though these payments are not shared with your financial professional, the receipt of these additional payments create a conflict of interest because of the increased compensation to IFP.

- You can choose to loan securities to Pershing LLC. by participating in the Fully Paid Lending Program. You will maintain full ownership of the securities on loan and can recall the loan at any time. You will relinquish your right to exercise voting rights while securities are on loan. Loaned securities will not have SPIC coverage however, SIPC coverage applies to the cash collateral received for the loaned securities. You receive a lending fee based on the relative value of the securities loaned and are subject to change. IFP receives revenue from these fees and even though these payments are not shared with your financial professional, the receipt of these additional payments create a conflict of interest because of the increased compensation to IFP.
- When you establish an account at Pershing LCC, you are required to select a bank sweep option or money market mutual fund in which the cash in your account will be held. The FDIC bank deposit sweep program is the default option for cash contributed to non-entity (individual) accounts and IFP receives more for assets held in that sweep program than IFP does for assets placed into a money market fund. Entities are not eligible to participate in the bank deposit sweep program. The bank sweep account will have a yield that will vary based on prevailing interest rates. IFP has the ability to dictate what portion of the yield (interest rate paid) on the bank sweep accounts it will retain. IFP's ability to adjust the yield creates a conflict of interest since the lower the portion of the yield paid to you, the more IFP earns. IARs do not receive any portion of the bank sweep compensation paid to IFP.
- IFP makes available a limited number of money market funds that you have the choice to elect to have serve as the cash sweep vehicle for your brokerage account. The higher the 12b-1 fees paid by the money market mutual fund, the lower the yield on cash in your account. This revenue sharing creates a conflict of interest as the increased revenue generated from the default money market funds is paid to IFP. Because IFP receives and retains these amounts, IFP has an incentive to recommend a brokerage account offering sweep money market funds paying 12b-1 fees, which in turn will negatively impact the amount you will earn on cash in your account. IARs do not receive a portion of the money market compensation paid to IFP. IFP does not make available other share classes of the sweep money market funds, including those that do not pay 12b-1 fees; however, you can chose to purchase other money market funds, including those that do not pay 12b-1 fees, and move assets from the money market fund or bank deposit account that serves as your cash sweep vehicle into such other funds. You are not obligated to maintain assets in the core sweep money market fund or bank deposit sweep account. Cash in your brokerage account will be placed in the sweep option you select by default and remain in that sweep option until the funds are invested elsewhere or you withdraw the cash from your account.
- You have the option of utilizing margin on your brokerage accounts. A margin account is an account where you borrow funds for the purpose of purchasing additional securities. You will also use a margin account to borrow money to pay for fees associated with your account or to withdraw funds. If you decide to open a margin account, you should carefully consider that: (i) if you do not have available cash in your account and use margin, you are borrowing money to purchase securities, pay for fees associated with your account or withdraw funds; and (ii) you are using the securities that you own as collateral. Money borrowed in a margin account is charged an interest rate that is subject to change over time. This interest rate is in addition to other fees associated with your account. IFP retains a portion of the margin interest charged, which is a source of revenue. This compensation represents a conflict of interest as IFP has a financial benefit when you maintain a margin debt balance. This compensation is retained by IFP and is not shared with your financial professional.