Regulation Best Interest Disclosure

For Retail Customers Under 17 CFR 240.151-1

This guide summarizes important information concerning the scope and terms of the brokerage services offered by XML Securities, LLC, member FINRA/SIPC (also referred to as "XML BD", "we" , "us" or "our") and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with other account agreement(s) and disclosure documentation you receive in connection with a brokerage account, product, or service.

As you review this information, we would like to remind you that we are registered[1] with the U.S. Securities and Exchange Commission (SEC) as a broker dealer providing brokerage services. Investment advisory services are provided through our affiliated investment advisor firm, XML Financial Group (also referred to as "Advisor", "XML" or "affiliate"). Our brokerage services are the focus of this guide. For additional information, please also refer to our Client Relationship Summary (Form CRS) also available on https://www.xmlfg.com/. The Form CRS contains important information about the types of services we offer along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information. For a variety of reasons, Financial Professionals associated with us may not be able to offer all products and services described herein. Please discuss the types of products and services they are allowed to provide and any specific limitation concerns. For information on the investment advisory services offered through our affiliate, and how they differ from brokerage services, please review the XML Form CRS, XML ADV Part 2A Brochure and the XML Wrap Fee Program Brochure available at https://www.xmlfg.com/disclosures/. Requests for a complementary copy of any document referenced herein and any questions can be sent to info@xmlfg.com.

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

Contents

Brokerage Services

When you establish a brokerage account through us at our Clearing Firm, First Clearing[2] ("Clearing Firm"), you have the ability to buy, sell and hold investments within your account. The primary service we provide is making recommendations regarding securities and our trading capability. We submit purchase and sale requests on your behalf, and as directed by you to the brokerage account custodian. In a brokerage service relationship we can trade with you for our own account, for our affiliate or for another client, and we can earn compensation on those trades. The capacity in which we act as a broker dealer is disclosed on your trade confirmation document.

We offer brokerage services which are engaged via an application or subscription agreement. We refer to these types of accounts held directly with the investment sponsor, such as mutual fund companies, variable annuity companies and investments such as Reg D offerings and 1031 exchanges as application-based accounts. These types of accounts are used to also buy, sell and hold securities.

[1] Registration of an investment advisor does not imply any level of skill or training.
[2] First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

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

Given that a margin brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, the default brokerage account type is a cash brokerage account. You must execute a separate margin agreement before engaging in margin activity. **Included with your margin agreement is the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us**. For more information on margin brokerage services, consult with your Financial Professional or refer to the Clearing Firm's Margin Disclosure Statement.

Brokerage Account Types
We offer many different types of brokerage accounts such as individual, joint, estate, trust, partnership, individual retirement account (IRA), collateral/Priority Credit Line (PCL), margin and other types of retirement accounts as outlined in the account agreement(s). You should refer to the Clearing Firm's brokerage account agreement(s) for more information concerning the available accounts, details and terms or consult with your Financial Professional.

Brokerage Services, Recommendations and Account Monitoring
When a Financial Professional makes a recommendation to open a brokerage account or to buy, sell or hold securities in a brokerage account, they are making such recommendation in their capacity as a broker-agent, and not as an Investment Advisor Representative(IAR). Any such recommendation may be made in writing or orally to you. Moreover, when we act in a brokerage capacity, we do not agree to monitor accounts and our silence or non-communication should not be considered a "hold" recommendation.

It is important for you to understand that when a Financial Professional makes a recommendation to a retail customer, as defined under the SEC's Regulation Best Interest (Reg BI) under the Securities Exchange Act of 1934, we must act in the best interest of the retail customer at the time the recommendation is made, without placing our financial or other interest ahead of the retail customer's interests. We do so by exercising reasonable diligence, care and skill to understand the potential risks, rewards, and costs associated with the recommendation and have a reasonable basis to believe that the recommendation is in the best interest of the client. This obligation occurs at the time the recommendation is made, considering reasonably available alternatives, based on a retail customer's financial profile and other financial information known to us in accordance with the terms and conditions applicable per Reg BI.

What constitutes reasonable diligence, care and skill will vary depending on, among other things, the complexity of, the Financial Professionals knowledge and experience and knowledge of the risks associated with the recommended security or investment strategy. Generally, considerations include the security's or investment strategy's investment objectives; characteristics; liquidity; volatility; expected return; and likely performance in a variety of market conditions. While we are mindful of and consider total costs to the retail customer, it is only one important factor among many factors, not the only factor. Thus, depending on the facts and circumstances, the lowest cost security or investment strategy may not be the best to recommended if there are other factors about the product or strategy that the Financial Professional reasonably believes is in the best interest of the retail customer, based on that retail customer's investment profile.

Financial Professionals make recommendations based on the factors known to them at the time the recommendation is made. There is an expectation of a preferred outcome, however this is without the benefit of hindsight. It is important to remember that we cannot predict the future, nor guarantee the performance objectives will be met for any investment. There are many varying factors that are outside of our knowledge, control and there are inherent risks with investments. Please refer to the section *Common Risks for Your Consideration* within this document . You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of brokerage accounts or products. The absence of communication from us should not be interpreted as a "Hold" recommendation of any security, strategy, account feature or account type If you prefer on-going monitoring of your account or investments, please discuss this with a Financial Professional about whether an advisory relationship is more appropriate for you.

Please also consider that from time to time we, and your account custodian, will provide you with additional information, documentation and resources to assist you with the oversight of your brokerage account. This may include but is not limited to educational resources, notice of additional services, performance reports, asset allocation guidance, and/or periodic brokerage account summary reports. When we offer these services and information, we do so as a courtesy to you. These documents and services are not designed make recommendations about investment holdings or strategies or create a call to action. You should not consider them a recommendation to buy, sell or hold any particular security. Upon your request, we will review such information with you and may provide you with investment recommendations, but we are not under a specific obligation to do so. These materials are not intended to, and should not, replace your regular review of the account statements provided to you by the custodian of your account.

RETIREMENT ASSETS: ACKNOWLEDGMENT OF OUR FIDUCIARY STATUS WITH RESPECT TO RETIREMENT ACCOUNTS

The U.S. Department of Labor recently issued a new rule pertaining to investment advice provided to retirement investors, called Improving Investment Advice for Workers & Retirees. The rule applies to retirement accounts governed by the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("Code"), including Individual Retirement Accounts ("IRA") and Education Savings Account ("ESA"). Pursuant to the rule, we are providing the following acknowledgment:

When we provide "investment advice," as defined under Title I of ERISA or the Code, to you regarding your retirement plan account, IRA, or ESA, we are fiduciaries within the meaning of ERISA and/or the Code. The way we make money creates some conflicts with your interests, so when we operate as a fiduciary for your retirement account(s) we operate under a special rule, PTE 2020-02, that requires us to act in your best interest and not put our interest ahead of yours. To the extent that particular communications to you or activities are considered "investment education" or otherwise non-fiduciary under ERISA, we are not a fiduciary in connection with such communications or activities.

The Department of Labor has published a guide titled Choosing the Right Person to Give You Investment Advice: Information for Investors in Retirement Plans and Individual Retirement Accounts, which can be found at https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/faqs/choosing-the-right-person-to-give-you-investment-advice.

The Firm and Financial Professionals have an economic incentive to encourage investors to roll over assets into an IRA at the Firm. The Firm and investment professionals earn compensation if an investor rolls his/her employer plan or outside retirement assets to an IRA at the Firm. In contrast, if the investor leaves his/her assets in their existing plan or rolls the assets to a plan sponsored by their new employer, then the Firm and Financial Professional will likely not earn compensation. Investors are under no obligation to roll over employer plan assets to an IRA under the Firm. Therefore, we have a Conflict of Interest when we make a recommendation to:

- Move assets that we are not being compensated on to an account/service that we would be compensated on.
- Move assets from an account/service that we are being compensated on to an account/service that would generate higher compensation to us.
- Transfer assets from another firm to our firm.
- Roll over assets from a qualified retirement plan to an IRA at our firm.
- Engage our investment advisory consulting services regarding investing of retirement assets.

Day-Trading

As defined per FINRA Rule 2270, a "day-trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to effect both purchase and sale transactions in the same security or securities. We do not encourage day-trading strategies and we are not structured to support this activity. This activity would be better serviced by another firm. If you are considering day-trading, please read the educational material at https://www.finra.org/investors/insights/am-i-pattern-day-trader and notify us of your intent prior to engaging in activity.

Restrictions

We will be unable to recommend certain securities, accept only as unsolicited orders or be unable to transact in certain securities for a variety of reasons, which can change from time to time. These include; investments of or in our affiliated entities, which are available to the public at https://brokercheck.finra.org/firm/summary/145589; the stock of our parent company Focus Financial Partners Inc., symbol FOCS; securities which have been designated as restricted by our Clearing Firm or respective custodian, or by Executive Orders or other U.S Government decrees; a security in which a Financial Professional is in possession of non-public material information, in which we must abstain from making recommendations or commenting on; and/or a security which we have commented on publicly or securities which we deem as subject to market manipulation or suspected fraudulent activity. Please discuss any concerns regarding restrictions with your Financial Professional as these could affect the timing to place trades or prevent trading altogether, create a regulatory violation and could be out of our control.

For more information related to XML BD's relationship with Focus Financial Partners Inc, refer to the public filings made by Focus on the SEC's EDGAR database such as Amendment No. 1 to Form S-1.

Our Right to Terminate or Prohibit Service

We reserve the right to terminate our services with a client (natural person, entity or associated person of an entity) should we discover or have a reasonable belief that he/she/it: is or attempting to conduct reckless activity; is withholding material information; is deceiving us; has provided misleading information; is conducting illegal activity; is depositing funds derived from illegal activity, including funds sourced from Federal Drug Enforcement Agency (DEA) controlled substances; is conducting activity we are unwilling or unable to support or which we do not have policies and procedures to address or are not properly licensed to conduct per FINRA or SEC rules and regulations or a respective state regulatory division; is causing an unreasonable or disproportionate burden on our firm resources; is creating a hostile or threatening environment for our employees or officers; is violating The Anti-Money Laundering Act of 2020, or the U.S. PATRIOT Act.

Clearing Services

We have an agreement with the Clearing Firm to carry your accounts, serve as the custodian, and provide certain back-office functions. We and the Clearing Firm share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. We are referred to as the "Introducing Firm". Please refer to the Designation of Responsibilities in the brokerage new account agreement for more information on how such responsibilities have been allocated between us and the Clearing Firm.

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns or losses. We do our best to align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs. You should also promptly discuss your investment objective should you feel this has changed or your are experience life events which could affect your investment objective. To review your current investment objective, refer to your custodial statement or ask your Financial Professional.

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

Investment Objective	Investment Objective Description	Risk Tolerance	Risk Tolerance Definition
Income	Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.	Conservative	Conservative Income investors generally assume lower risk but may still experience losses or have lower expected income returns.
		Moderate	Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
		Aggressive	Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth and Income	Growth and Income portfolios emphasize a blend of current income	Conservative	Conservative Growth and Income investors generally assume a lower amount of risk but may still experience losses or have lower expected returns.

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

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

Common Risks for Your Consideration

Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or investment strategy, including the investments and/or investment strategies recommended will be profitable or equal to any specific performance level. Below are common risks.

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, a client can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

COVID-19 Uncertainty

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. This pandemic event has resulted in significant business disruption and uncertainty in both global and U.S. markets. Business and consumer behavior have changed in response to state and federal orders and guidelines. What behaviors have changed for the long-term and what are likely to revert to pre-pandemic norms is unknown. The world is still living in this pandemic and the effects of COVID are uncertain at this time both for the short-term and long-term outlook.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment owned, currency risk is a realistic risk measure. Currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are dependent on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk
Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Lehman Brothers and Enron or many of the “dot com” companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs
For any investment or strategy that involves active or frequent trading, you may experience higher than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Inflation Risk
Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk
Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once a client has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market could affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. Likewise, the reverse is generally true as well.

Legal/Regulatory Risk
Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk
Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

Margin Risk

- You can lose more funds than you deposit in a margin account. A decline in value of securities that are purchased on margin require you to provide additional funds to the custodian holding your margin account in order to avoid a forced sale of those securities or other securities in your account.
- The custodian holding your margin account can force the sale of securities in your margin account. If the equity in your account falls below the margin maintenance level required by law or below the custodian’s “house” requirement, the custodian can sell the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such sale.
- Securities can be sold without contacting you prior to sale. Some clients mistakenly believe they must be contacted before a margin call becomes valid and that securities in their accounts cannot be liquidated to meet the call unless they have been contacted ahead of time. Most firms will attempt to notify you of margin calls; however, they are not required to do so. Even if the custodian has contacted you to provide a specific date by which you can meet a margin call, the custodian can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- Unless you promptly respond to a notice call and direct your Financial Professional which security to sell, you are not entitled to choose which securities in your margin account are liquidated or sold to meet your margin call. Because the securities are used as collateral for the margin loan, the custodian of your account has the right to decide which securities to sell in order to protect its interests.

- The custodian can increase its “house” maintenance requirements at any time and is not required to provide you with advance, written notice. These changes in policy can take effect immediately and may result in the issuance of a margin maintenance call. Your failure to satisfy this call may cause a forced liquidation in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have the right to the extension.
- **Refer to the Margin Disclosure Statement available on** https://www.xmlfg.com/brokerage-services/ **, as provided by the Clearing Firm or ask your Financial Professional.**

Market Risk
The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment, or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk
Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance
Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment’s future potential by analyzing its past performance and other related statistics. In particular, technical analysis frequently involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, clients should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer.

Strategy Risk
There is no guarantee that the investment strategies discussed in this document will work under all market conditions and you should evaluate your ability to maintain any investment you are considering in light of your own investment time horizon. Investments are subject to risk, including possible loss of principal.

Investment-specific Risks
There is no single type of investment instrument that one can predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and clients should make sure that they fully understand not only the investment product itself but also the inherent risk factors associated with such products.

Risks Related to Options
- *Call Options*. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the Securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.
- *Put Options.* The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

- *Index or Index Options.* The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the investor will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.
- *Time Decay* - All options have some kind of time value factored into them, and typically the longer they have until expiration the higher that time value is. Therefore, options will always be losing some of their value as time goes on. Of course, this doesn't mean that they always go down in value, but time decay can negatively impact the value of any option that is held onto.
- *Liquidity* - Because there are so many different types of options, it's quite possible that any particular option might only be traded in very low volume. This can make it difficult to make the required trades at the right prices.

Options Disclosure Booklet
The Characteristics and Risks of Standardized Options booklet is written and published by The Options Clearing Corporation and is being provided here for review prior to buying or selling options contracts. This booklet explains the purposes and risks of options transactions. The booklet is offered free of charge and is available in hard copy by asking your Financial Professional or email your request to info@xmlfg.com. We encourage investors to read this booklet and ask questions. **If you are considering the use of options, an additional source for educational tools is https://www.cboe.com/education.**
Also available at the footer of https://www.theocc.com. Or use **QR CODE**

Independent Managers
XML reviews the use of certain Independent Managers on behalf of clients. The performance of those assets managed by Independent Managers will depend to a great extent on the Independent Managers' ability to successfully implement their investment strategies. XML is limited in the due diligence it can perform on Independent Managers and cannot verify the information provided by these managers.

Mutual Funds and ETFs
An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a funds stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The Firm may invest in closed-end mutual funds where the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a closed-end mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the closed-end mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares. Mutual Funds and ETFS that employ alternative strategies such as long/short investment management, or the management of leveraged positions through derivatives involve a higher risk of volatility and loss of principal. *Refer to the Leveraged ETF content below.*

Cybersecurity
The Firm's computer systems, networks and devices used by us to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches cause disruptions and impact

business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions or parties. In addition, substantial costs are incurred by these entities in order to prevent breaches in the first place.

Unpredictable Social Media and Crowd Influence
There is a very real an unpredictable effect that crowd decisions and coordinated efforts can have on specific investments or strategies. These unpredictable forces can have a significant effect on any one company stock, causing the value to either increase or decrease sharply. A simple tweet or comment from a celebrity or influential figure can have an effect on the respective securities' pricing or can sway public opinion of a company. The use of social media channels has shown to have the ability to amplify the opinions of a few and quickly spread those opinions, whether accurate or not, to the masses on a national and even global scale.

Cash Sweep Program Feature
For brokerage accounts held at the Clearing Firm clients can earn a rate of return on the uninvested cash balances in the account by automatically placing or "sweeping" cash balances into a sweep vehicle until such balances are invested or otherwise needed ("Cash Sweep"). Cash Sweep vehicles currently consist of Money Market Mutual Funds and a Bank Deposit Sweep, which is composed of interest-bearing deposit accounts at four banks affiliated with Wells Fargo & Company ('Bank Sweep"). Eligibility for each available sweep vehicle is determined by the Clearing Firm based on the type of account. The Bank Deposit Sweep is the only available option for non-ERISA, non-discretionary IRAs or non-entity clients who elect the Cash Sweep Program.

XML BD benefits financially from the Cash Sweep. XML BD's agreement with the Clearing Firm provides for a monthly revenue share calculated on the average monthly net assets invested in the Bank Sweep or Money Market Sweep, except for ERISA assets, at a rate that increases as client balances increase. The Bank Sweep is significantly more profitable to XML BD than any other cash sweep vehicle. However, in a very low interest rate environment and in accordance with our agreement with the Clearing Firm, this revenue share could result in very minimal to no monthly revenue. This creates a conflict to encourage clients to elect the Cash Sweep Program. However, this conflict is mitigated in that the Financial Professionals, with some exceptions, who are recommending investment accounts, investment products and allocations are not compensated directly from revenue XML BD receives from Cash Sweep Balances. Financial Professionals who are part of the management company of XML BD, are compensated differently than non-management company personnel based on management fee which is derived from Earnings Before Partner Compensation ("EBPC"). For more information related to how the management company is compensated and XML BD's relationship with Focus Financial Partners Inc, refer to the public filings made by Focus on the SEC's EDGAR database such as Amendment No. 1 to Form S-1.

The Bank Sweep is insured by the FDIC. Refer to https://www.fdic.gov/resources/deposit-insurance/understanding-deposit-insurance/ to better understand what this coverage means and what it does not cover. Note however that the interest rate you will receive will likely be lower than on money market funds that you would invest in or that you would receive in an interest account directly with a bank. **Important information regarding your options, bank aggregate amounts, FDIC and SIPC coverage and fees are available in the Cash Sweep Program Disclosure Statement provided when you opened your brokerage account and consult with us. Please read over this document carefully. You can elect not to participate in the Cash Sweep Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Cash Sweep Program by providing instructions to your Financial Professional**.

You will receive additional and ongoing information regarding the Cash Sweep Program in your account agreement(s) and in communications from the Clearing Firm. More information about the Cash Sweep Program can be found in the Cash Sweep Program Disclosure Statement available as a disclosure on https://www.xmlfg.com/brokerage-services/.

Account Minimums, Activity Requirements and Limitations of Service
There is no minimum initial account balance required to open a brokerage account with us. If your account either fails to fund or you do not return account opening documents or provide requested information, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements, account fees and/or minimum on-going balance requirements that must be maintained, or your brokerage account could have a negative balance, where you owe fees and could be closed. These requirements are detailed in the account agreement(s) you receive when

you open your brokerage account. You should understand however that isolated low account balances, such as under $10,000 have a higher cost ratio to maintain. Neither our firm nor our Clearing Firm is structured for sustaining low balance, low brokerage activity. We employ people to service accounts and professionals to offer guidance, which comes with higher costs. Some accounts with low balances or low activity could be grouped within a household to take advantage of an aggregation of services and fee waivers due to householding balances. For brokerage accounts with low balances, please consider your anticipated level of investment activity and the Schedule of Fees for custodial inactive account fees and charges found in the brokerage account documentation. For isolated, non-household accounts that you expect to maintain a low balance for the long-term and you do not wish to seek the guidance of a Financial Professional or the service requests of our staff, an online, self-directed brokerage service may be more cost effective in servicing this type of activity. Please be upfront with the Financial Professional regarding your expectations.

You should also understand that Financial Professionals must be able to service many clients and accounts. Prospective clients and clients whom they feel have unrealistic expectations, are not responsive to communications, are habitually acting recklessly or contrary to advice, or require more than a reasonable level of service can deplete the Financial Professionals resources and those of our firm and interfere with the Professional's ability to meet other client obligations. Therefore, the Financial Professionals reserve the right to decline to service an account and can establish their own minimum account balance requirements. For example, a Financial Professional may choose to service only those brokerage accounts who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your Financial Professional.

To view the BD's current registrations and limitations and that of the specific Financial Professionals, including state registrations, please review the BrokerCheck report which is free and publicly available on https://brokercheck.finra.org/.

Brokerage Service Models and Products

Application-Based Business
We are structured as a full-service brokerage firm. Financial Professionals make recommendations, however ultimately it is your decision whether to proceed or not with any recommendation. The primary type of brokerage service we engage in and we transact in is buying and selling securities in a brokerage account. The primary types of securities we transact in are exchange traded equities, corporate equity securities over-the-counter (OTC), corporate debt securities, open-end mutual funds, closed-end funds, exchange-traded funds (ETFS), municipal securities, options and fixed income securities. Primarily, we service brokerage accounts held at our Clearing Firm. However, we also make recommendations for investments held directly with product sponsors, such as mutual fund companies, as is the case with certain 529 plans, and insurance companies with variable life insurance or variable annuities. This business is referred to in the industry as "application-based" because you establish an account via an application.

529 Plans
We strongly encourage you to first ensure that you are educated on the 529 plans available through your resident state and other saving options. Certain aspects may make one option more favorable than the other considering your unique circumstances. You should be aware of the Direct Sold plans, which you manage on your own verses Advisor Sold plans, which are available through financial professionals. You can also choose to use another state's 529 plan.

The www.SavingForCollege.com site is a great resource:

- You can view all state 529 plans and compare plans side-by-side.
- Find answers to common question and costs estimates in their College Savings 101 page.
- Learn all about Student Loans.
- You can compare other options to save using their College Savings Options.

The BD is only able to offer Advisor Sold brokerage 529 Plans.

Unsolicited Client-Directed Trades
While we are able to take your unsolicited trade orders on an occasional basis, our business model and operations are not structured to accept frequent unsolicited orders. You are unable to trade online in your accounts directly with our Clearing Firm. Our firm employs professionals to service accounts and most processes are not fully automated. Therefore, your costs will be higher to conduct these transactions than you would pay at other financial firms who have business models to service client self-directed trading and large scale client trading platforms.

House Accounts
Typically, clients work with a designated Financial Professional to contact directly for recommendations and to service their brokerage account. However, for a variety of reasons, when a Financial Professional is not associated with a brokerage account, that account is considered a House Account. If you do not see a Financial Professional's name on your brokerage statement your account is a House account. Your account will not be reviewed by a specific Financial

Professional and will only be serviced upon your initiation by contacting us at our main office at 703-827-2300. Have your account statement ready and mention you have a house account.

Brokerage Fees and Our Compensation

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

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

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

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

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

How We Are Compensated
We receive direct and indirect compensation in connection with your accounts. Direct compensation is paid directly from the respective account. Indirect compensation is compensation paid in ways other than directly from the account and may or may not impact the value of the associated investments or service options related to your account, such as compensation paid by the issuer. The sections below describe the compensation that we receive in connection with various types of brokerage accounts and the investments available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

Transaction-Based Schedules

The following schedules reflect the material transaction fees in brokerage accounts at our Clearing Firm. However, Financial Professionals are allowed to apply a minimum flat transaction charge that typically ranges from $20 - $50, or as otherwise negotiated and communicated to you verbally or in writing. Financial Professionals also have the ability to discount these schedules as mutually agreed upon and based on the transaction circumstances, thus transaction fees will vary between professionals and based on services provided. For example, non-profit and charitable organizations often pay lower transaction fees. However, when the transaction cost we apply to you is below our costs to the Clearing Firm, the difference is born to the Financial Professional as an expense. Therefore, Financial Professionals have an incentive to apply transaction fees that at least cover their transaction expense.

Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed-End Funds (CEFs) and ETPs
This schedule below details the default commission schedule charged to you and received by us and your Financial Professional for trades of stocks, rights, and warrants.

Principal Band	% of Principal
$499 or less	10%
$500 - $2,499	2.1% + $28
$2,500 - $19,999	1.5% + $43
$20,000 - $49,999	0.7% + $203
$50,000 and above	0.6% + $253

For 2 or more lots plus $10 per lot for the first 10 lots and $6.5 for the next remaining lots.

Minimum: 10% of Principal or $20, whichever is less.
Maximum: Principal of $499 or less = not applicable, no max applied.
Principal of $500 - $1,500 (10% of principal for the first $500 and 2.5% of principal for the remaining principal.)
$1,500.01 and above (5% of principal or the greater of $1.06 per share and $106, whichever is less.)

Option Rates Equity and Index

Single Option Execution for Options $1.00 and Greater

Principal	Commission
$0 - $2,499.99	2% of Principal + $25
$2,500 - $19,999.99	1.4% of Principal + $40
$20,000 - $24,999.99	0.8% of Principal + $160
$25,000 and above	0.4% of Principal + $260

Minimum: $0 - $199.99, 25% of principal, $200 and above, $50 flat

For 2 or more contracts
Multiple Options Executed on the Same Day for Options $1.00 and Greater
Schedule above plus $8 per contract on quantities less than 11 or $25, plus $5.50 per contract on quantities equal to or greater than 11.

Minimum:

Principal: SELL	Commission
$0 - $199.99	25% of Principal
$200 and above	$50 flat
Principal: BUY	**Commission**
Other than Open	25% of Principal up to $199.99 or $50 flat for $200 and above
Open	$50 flat

Maximum

Principal	Commission
$0 - $199.99	25% of Principal for the first $199
$200 - $999.99	9% of Principal for the next $800
$1,000 - $9,999.99	7.2% of Principal for the next $9,000
$10,000 and above	5.2% of Principal for the remaining principal

Secondary Market Debt and Preferred Securities
A debt security refers to a debt instrument, such as a government bond, corporate bond, certificate of deposit (CD), municipal bond, or preferred stock that can be bought or sold between two parties and has basic defined terms such as the amount borrowed, the interest rate, the maturity date and the renewal date. For debt securities, including preferred securities we can apply a commission of $13/bond with a $50 min flat fee or (i.e., markup or markdown) of 2% to 3% for longer-dated debt, and 0% to 2% for short-dated debt from the prevailing market price of the security or investment on secondary market transactions. *Refer to further explanation of commission compensation under the section herein, "Mark-ups and mark-downs in riskless principal transactions".*

Municipal Bonds
When you execute a transaction in municipal bonds the Clearing Firm will send you a trade confirmation at or prior to completion of your transaction. Refer to the trade confirmation to review the commission rate and commission amount applied to the transaction, transaction fee (postage fee), the location to obtain the official statement, capacity in which we were acting, transaction details, notice of material events, security and yield information as applicable.

Preferred Stock
When you execute a transaction in preferred stock the Clearing Firm will send you a trade confirmation at or prior to completion of your transaction. Refer to the trade confirmation to review the transaction details which include the commission

amount applied to the transaction, transaction fee (postage fee), if made pursuant to a registration statement and the location and how to obtain the prospectus, if callable, security information schedule, maturity and yield information as applicable.

Certificates of Deposit (CDs)
When we trade a Certificate of Deposit ("CD") the Financial Professional will receive compensation termed as credit(points) from the issuer in connection with your purchase of a CD. Except for the mark-up or mark-down discussed above in connection with secondary market transactions and a handling fee, if any, disclosed on your trade confirmation, you will not be charged commissions in connection with your purchase of a CD. When you execute a transaction in a CD the Clearing Firm will send you a trade confirmation at or prior to completion of your transaction. Refer to the trade confirmation to review the transaction details which include the capacity in which we acted, interest information, security information schedule, maturity, and yield information as applicable.

Mutual Funds
We currently offer access to hundreds of mutual funds varying in share class structure and investment style. If you invest in mutual funds in a brokerage capacity, we receive direct and indirect compensation in connection with such mutual fund investments. You can find a description of the amount and payment frequency of sales charges, fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund. Below are brief explanations of the type of mutual fund expenses. **Prior to investing in mutual funds please read the *Guide to Mutual Fund Investing* available at https://www.xmlfg.com/brokerage-services/ or free upon request.**

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

Front-end Sales Charge Fees
Front-end sales charge fees may be charged and paid to us, including your Financial Professional, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 1.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to eligible breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, the investor's status as a registered investment professional, or immediate family members, and/or certain qualifications within the account. contact your Financial Professional if you believe you are eligible for sales charge waivers or discounts.

Contingent Deferred Sales Charges (CDSC)
CDSC is a charge you pay the fund company upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.50%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Financial Professional.

When you execute a mutual fund transaction the Clearing Firm will provide you with a trade confirmation at or prior to completion of your transaction. Refer to the trade confirmation to review the transaction details which include the capacity in which we acted, sales charge and now applied, how to obtain the prospectus, security information schedule and additional risk disclosures, as applicable.

Insurance and Insurance with securities products/Variable Annuities
Under arrangements with insurance companies, we, including your Financial Professional, are able to offer universal life and variable annuities and non-securities based insurance products. We receive commissions from the insurance companies for the sale of these products. The compensation options are set by the insurance company however the Financial Professional, who is also registered as an insurance agent, usually is able to select their compensation option on a per policy basis. This compensation could be a large upfront commission with low trail, or low upfront compensation and a longer trail commission. Commissions and trails paid to us vary by product type and vary by insurance carrier. This compensation is separate from and in addition to compensation for other brokerage services, or investment advisory services offered through our affiliate. The compensation option will be indicated on the policy application, or default indicated. Please ask the Financial Professional regarding the option selected. The insurance companies can terminate or change the terms of our compensation with notice.

Alternative Investments Information
We are able to offer alternative investments to qualifying investors by executing a selling agreement with the product sponsor. These can range from private equity firms, third party managers, private placements, with real estate investment trusts and other application-based investments that we are eligible to conduct business with. The compensation we and the Financial Professional receive is unique to the respective investment and detailed in our selling agreement with the investment sponsor. Therefore, before investing, please ask your Financial Professional about the compensation and associated conflicts pertaining to the respective alternative investment .

Brokerage – Excluded Advisory Assets
As described above, our brokerage services differ from our affiliate's advisory services. In some instances, we may allow an advisory client to include what are referred to as "excluded assets" within their advisory account. Excluded assets are not subject to the wrap program fee. These excluded assets are subject to our standard brokerage charges when traded. Please refer to the XML Financial Group Wrap Fee Brochure for more information available at https://www.xmlfg.com/brokerage-services/.

Conflicts of interest

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

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

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

Compensation We Receive From Clients

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

Mark-ups and mark-downs in riskless principal transactions
We act in an agency capacity when, acting at your request and on your behalf, we enter a trade with our clearing firm or custodian, separately charging you a commission. As there is only one transaction (between client and market) we, an agent cannot charge a mark-up or mark-down. We do not maintain an inventory of securities. When we act in a principal capacity, we conduct what is referred to as a "riskless principal" transaction. We act as a riskless principal when we trade a security with the market for our own account (as principal), record that transaction in our own trading books, then promptly sell/buy the same security to/from you, the client, (also as principal), either at the same price (such as for

advisory accounts) or with a mark-up or mark-down. Therefore, there are two transactions; one between client and riskless principal; one between riskless principal and market.

We are compensated based upon the difference (mark-up) between the price you pay for a security purchased from us and the price we sell such security to you over the prevailing market price, or the difference (mark-down) between the price you sell a security to us and the price we purchase such security from you over the prevailing market price. Refer to the trade confirmation to view the mark-up or mark-down which must be shown as both a dollar amount and as a percentage of prevailing market price. We prohibit mark-ups and mark-downs on eligible assets in advisory accounts offered through our affiliate. The application of these mark-ups or mark-downs creates an incentive for us to trade these types of securities over securities with lower or no compensation.

Securities Based Lending/ Priority Credit Line (PCL

The Priority Credit Line (PCL) is a line of credit backed by the value of eligible securities in a designated account. There are many terms and conditions, including important restrictions regarding the purposes the funds can be used for. **They cannot be used for securities related activity.** A PCL is an equal opportunity service. However, we and/or First Clearing reserve the right to reject a PCL application. In the capacity as a broker agent, your Financial Professional can introduce this service and facilitate the implementation of a PCL. Please consider the risks associated with a PCL and consider the purpose of and need for the loan vs the need to maintain the investment funds for your benefit and use.

For PCLs opened through XML BD, the PCL default interest rate is the rate calculated per the *Statement of Interest Charges* located in your brokerage account agreement documents. However, XML BD offers an initial firm adjusted rate at the onset of a new PCL. The firm Adjusted Rate must be manually activated and approved by us in order for it to take effect. This Adjusted PCL rate is at the discretion of XML BD and is a percentage above our cost of funds, which will change as the published broker call rate changes, which is out of our control. XML BD will receive a portion of the interest received over our cost of funds as compensation in the form of revenue share. Thus, XML BD has elected to implement an initial Firm Adjusted PCL rate to minimize the conflict related to compensation to XML BD. Please read through the materials provided related to the PCL and discuss the PCL restrictions, risks, use of funds and interest rate with your Financial Professional. Once a PCL is in effect, the rate will be adjusted by the clearing firm automatically according to the ***Statement of Interest Charges - Accounts on which Interest is Charged • Calculation of Interest • Lien and Collateral*** included in your brokerage account agreement. Subsequently, you can view and track the interest rate and interest fee in your custodial statement under the section titled “Statement of interest charged”.

Accounts transferring to XML BD with an established securitized loan interest rate higher than the Firm adjusted rate will remain in effect until closed. If lower than the firm Adjusted rate, we reserve the right to increase the rate or make an exception to honor the lower rate.

Priority Credit Line Disclosures

IT IS IMPORTANT THAT YOU READ AND UNDERSTAND THIS INFORMATION PRIOR TO OPENING YOUR PRIORITY CREDIT LINE ACCOUNT

The securities, which you pledged to secure your Priority Credit Line, are the collateral for the loan to you. If the pledged securities decline in value, so does the value of the collateral supporting your loan, and, as a result, we can take action, such as issue a maintenance call and/or sell securities or other assets in any of your accounts held with us, in order to maintain the required equity in your account.

It is important that you fully understand the risks involved in pledging securities for a loan. These risks include the following:

- **You can lose more funds than you deposit in your pledged account(s).** A decline in the value of securities that are pledged for the Priority Credit Line may require you to provide additional funds to First Clearing, which has made the loan, to avoid the forced sale of those securities or other assets in your account(s).
- **We can force the sale of securities or other assets in your pledged account(s)**. If the equity in your account(s) falls below the maintenance requirements or our higher "house" requirements, we can sell the securities or other assets in any of your accounts held with us to cover the maintenance deficiency. You also will be responsible for any shortfall in the account after such sale.
- **We can sell your securities or other assets without contacting you**. Some investors mistakenly believe that firms such as ours must contact them for a maintenance call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. While we will try to notify you of maintenance calls, we are not required to do so. However, even if we have notified you and provided a specific date by which you can meet a maintenance call, we can still take necessary steps to protect our financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a maintenance call.** It is vital for you to understand that because the securities are collateral for the Priority Credit Line, we have the right to decide which security to sell in order to protect our interests. Because our interests

may not be aligned with yours, you should understand that we may sell securities or assets, which you may desire to keep. If there are securities or assets, which you desire to own during the term of your Priority Credit Line, you should not pledge them as collateral for the loan.

- **We can increase our "house" maintenance requirements at any time and are not required to provide you with advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance call. Your failure to satisfy the call may cause us to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a maintenance call**. While an extension of time to meet maintenance requirements may be available to customers under certain circumstances, a customer does not have a right to the extension. Advances made on your Priority Credit Line may be made for any purpose other than purchasing, carrying or trading in securities, or reducing or retiring indebtedness incurred to purchase, carry or trade in securities.

Additional Considerations Associated with Pledging Advisory Accounts

In addition to the risks mentioned above, with respect to investment advisory account(s) that are pledged or otherwise used as collateral in connection with the Priority Credit Line, the exercise of our rights and powers over the assets in your advisory account(s), including the disposition and sale of any and all assets pledged as collateral may be contrary to your interests and the investment objective of your advisory account(s). Any recommendation to participate in the Priority Credit Line, as well as the related compensation that we, the Clearing firm or the Financial Professional receives, could create a conflict of interest between you and us or, if applicable, the Clearing firm. For example, such recommendation to participate in the A Priority Credit Line could result in a situation in which the Clearing Firm is required to liquidate securities your Financial Professional or money manager would otherwise not sell, and which may not otherwise be in your best interests to sell, to satisfy a maintenance call. We or a third-party money manager will seek to manage your advisory account(s) as agreed under your advisory program agreement(s), provided that, if a maintenance call takes place, we or your money manager may not be able to manage your advisory account(s) consistent with our or the money manager's overall strategy. Any action taken by us, or an affiliate, against the assets in your advisory account(s) pursuant to your Priority Credit Line Agreement will not constitute a breach of our fiduciary duties as an investment advisor to you under your advisory program agreement(s). In addition, the costs associated with the Priority Credit Line, including the costs associated with a maintenance call, are not included in your advisory program fees and may result in additional compensation to us, our affiliate, and the Financial Professional. See your advisory program disclosure document(s) for additional information on the conflicts of interests and risks associated with pledging your advisory account(s).

Cash Sweep

In brokerage accounts held at the Clearing Firm the Cash Sweep Program allows you to earn a return on the uninvested cash balances in your account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account. Important information regarding your options, bank aggregate amounts, FDIC and SIPC coverage and fees are available in the Cash Sweep Program Disclosure Statement provided when you opened your brokerage account and available on our website as a disclosure on https://www.xmlfg.com/brokerage-services/.

Per our agreement with the Clearing Firm, we are eligible to receive a monthly revenue share calculated on the average net assets in Wells Fargo Bank Deposit Sweep in accordance with a schedule. This creates a conflict to encourage clients to elect the Cash Sweep Program. This conflict is mitigated in that the clearing directs the cash sweep program applied to the different types of accounts. Bank Deposit balances in IRA and ERISA discretionary advisory accounts are excluded from the revenue share calculation. The Financial Professional recommending brokerage accounts types, investment products and allocations are not compensated directly from revenue we receive from Bank Deposit Balances. In a very low interest rate environment, and in accordance with our agreement with the Clearing Firm, this revenue share could result in no monthly revenue and the Clearing Firm may change our schedule, discontinue the fee payments in whole or part, or issue a new fee schedule.

The interest rate you will receive will likely be lower than on money market funds or that you would receive in an account directly with a bank**.** You can elect not to participate in the Cash Sweep Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Cash Sweep Program by providing instructions to your Financial Professional.

Margin Balances

Interest is charged on margin debit balances in accordance with the margin agreement and Statement of Interest Charges as provided in your brokerage account documentation. On your debit balances, our cost of funds will be based on the published broker call rate, per our agreement with the Clearing Firm. We earn the difference between the interest rate charged to you and our cost of funds. Our agreement with the Clearing Firm increases the profitability of margin lending as client margin debit balances increase. This creates a conflict in that we receive this revenue in addition to the compensation for other brokerage products and services. Certain types of accounts prohibit the use of margin. Please read the Margin Disclosure Statement available as a disclosure on https://www.xmlfg.com/brokerage-services/.

Account maintenance and other administrative fees
For the services we and the Clearing Firm provide or make available to you with respect to your brokerage account, there are certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the brokerage account documentation. Refer to page titled *XML Securities Schedule of Fees* found in the Clearing Firm's new brokerage account or PCL agreement document. The postage fee paid to us is indicated on the trade confirmation as a transaction fee. The revenue related to these fees helps to off-set other account related servicing expenses paid by us to the Clearing Firm. While this creates a conflict, to mitigate this conflict the Financial Professionals do not receive compensation from these fees. The percentage of revenue we receive may change as negotiated with the Clearing Firm. At the Clearing Firm's sole discretion, the revenue share and our costs can change or be discontinued.

The Clearing Firm currently offers Account Fee Waiver Criteria for the following fees (subject to change):
1. Investment Account
2. UGMA Account
3. Advantage AMA Account
4. First Clearing Custodian IRA, Annual maintenance

Account Fee Waiver Criteria
Account fees listed above can be waived if one of the following criteria is met:
1. One or more accounts that contain assets totaling $500,000 or more as of June 30. This includes all personal brokerage accounts householded. Talk with your Financial Professional about householding your accounts. This will not be completed automatically.
2. Any Investment Account, IRA or Advantage Account with mutual fund positions of $100,000 or more. (Money-market funds, closed-end funds, and exchange-traded funds do not count toward this exemption.)
3. Investment Accounts that have completed at least six trades during the period July 1 of the previous year and the end of June in the current year.
4. Managed accounts that pay a fee in lieu of commissions (Normal quarterly asset management fees will continue to apply).
5. Delivery Versus Payment accounts.
6. Investment Accounts opened on or after January 1 of the current year.
7. Individual participant's accounts that are part of a Qualified Retirement Plan (QRP), excluding IRA accounts.
8. 529 Education Savings Plan accounts.
9. Annuity only accounts.

Please consult your Financial Professional to determine if your account(s) meets one of these criteria or inquire if your Financial Professional is able to grant a waiver.

Compensation We Receive from Third Parties

Refer to the previous section "Conflicts of interest" which also describes Compensation We Receive from Third Parties

Clearing Firm Agreement Extension
As part of a 2020 renegotiated extension of the clearing agreement, we received a cash extension award from the Clearing Firm. This award is used for the considerable operations, technology, and compliance expenses and not direct or indirect compensation to Financial Professionals. We have a pro-rated termination Fee Schedule should we terminate its clearing agreement before the end of the contract term. These benefits and penalty present a conflict of interest related to our use of the Clearing Firm. However, the transition dollars are a common occurrence in the industry, and other Clearing Firms offer similar arrangements. A change to another Clearing Firm would likely generate the same award. To change Clearing Firms is a significant undertaking for a broker dealer and its clients. The use of a Clearing Firm is a long-term commitment and integral part of our broker dealer's business model, operations and product and service offerings, thus it is not a change to be made frequently.

Recruiting Cost Support Concession
During the term of our agreement with the Clearing Firm, we are eligible to enter into a Recruiting Cost Support Concession agreement for payment regarding qualified financial advisors who convert assets to the Clearing Firm as measured by the agreement. This creates a conflict for us as there is an incentive to bring Financial Professionals and their client's assets to the firm and recommend they utilize the Clearing Firm. We feel this is mitigated in that the Clearing Firm is a significant aspect of our operations and business model. There is an inherent economy of scale and it is a standard industry practice for an introducing broker-dealer to have only one Clearing Firm. The more custodians a firm

and Financial Professional uses, the greater the burden on the internal operations, supervision, monitoring and the day-to-day handling of accounts. Therefore, Financial Professionals who wish to join our firm and utilize brokerage accounts, would do so primarily at the Clearing Firm.

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

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

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

Product Share Classes
Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make recommendations for those share classes or other product structures that will generate the highest compensation. Therefore it is important for you to discuss your preferences for share classes and the related expenses considering holding periods, ability to exchange funds, limiting to one fund company to take advantage of breakpoints or preferring to be less restricted in holdings and trading and not considering costs as a primary factor.

Annuities
A conflict exists among the insurance company products themselves as the compensation models offered vary among companies and are different for a new policy or replacement policy.

Additional Compensation from Product Sponsors and Other Third Parties
We and our Financial Professionals, associates, employees, and agents receive additional compensation from Product Sponsors and other third parties including:

- Meetings or events are held by product sponsors to educate Financial Professionals on product characteristics, business building ideas, industry topics and best practices, as well as various other topics. Financial Professionals may be reimbursed for expenses to attend these events and require prior approval by us.
- Certain vendors provide free or discounted research or other vendor products and services, which can assist our Financial Professionals with their investment research.
- From time to time, Financial Professionals receive promotional items, meals or entertainment or other non-cash compensation from product providers. Gifts or merchandise that is not perceived as a promotional item, meaning that doesn’t display a company’s logo, is limited in value to $100 annually per person.
- Product sponsors also contribute funds to cover expenses of firm and client events. Such sponsorships require prior approval by us and are logged for tracking purposes to review for potential conflicts of interest.

These arrangements are not related to individual transactions or assets held in client accounts. Due to the high number of products providers we engage with, it is not possible for all companies to participate in these events. Consequently, those product providers that do participate have an opportunity to educate the Financial Professionals on a more in-depth level. Therefore, these relationships could lead to a higher percentage of product knowledge and consequently recommendations of that company’s products. The amount of these contributions is not dependent on or related to the level of client assets with the Product Sponsor and is monitored for compliance with our policies for maximum contributions by a single entity.

Compensation Related to Our Affiliates

Refer to the XML Wrap Fee Brochure regarding compensation associated with a wrap fee advisory account through XML. Located online at https://www.xmlfg.com/disclosures/ or by contacting us at info@xmlfg.com.

Compensation Received by Financial Advisors

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

Typically, a Financial Professional's payout schedule increases with production and asset levels. The same payout schedule is reduced when Financial Professionals discount certain client fees and commissions. Financial Professionals also may be eligible for annual or ongoing bonuses and deferred compensation awards based upon a variety of factors that may include reaching certain production levels, as well as compliance with our policies and procedures and meeting best business practices.

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

Financial Professionals have an incentive to recommend the transfer of assets to our firm which they were previously not being compensated for. Such as when you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive.

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

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

Other Financial Professional Activities
Financial Professionals may be motivated to place trades to receive more favorable prices than their clients. We have policies in place directing the timing of placing trades, methods of trading, and how to monitor for and remediate instances against these policies.

Financial Professionals who are considering transitioning to another firm may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest.

Additional Resources & Disclosure Notices

The following documents contain important information and educational resources for your review and reference. A hard copy may be requested free of charge by emailing a request to info@xmlfg.com.

https://www.xmlfg.com/brokerage-services/

- Client Relationship Summary (Form CRS)
- Reg BI Brochure
- XML clearing firm Schedule of Client Fees
- Consolidated Reports Disclosure
- Cash Sweep Program Disclosure Statement
- Margin Disclosure Statement
- Privacy Policy
- Priority Credit Line Disclosures
- Characteristics and Risks of Standardized Options
- Broker-dealer Information & Disclosures
- Fiduciary Disclosure (As of February 1, 2022)
- Guide to Mutual Fund Investing
- Retirement Asset Education Center
- Municipal Investor Brochure
- Guide to 529 Plans
- 529 Plans: Research & Compare
- 529 or ABLE Out-of-State Disclosure
- Investor Education
- What is a Trusted Contact?
- Considerations when broker changes firm
- Options Education Center

https://www.xmlfg.com/important-notices/

- Insurance Agency
- Order Routing
- Municipal Securities Disclosure
- Jurisdiction
- Options
- Consolidated Reports

APPENDIX I

Additional Notices

As a client of XML Securities, LLC ("XML BD") and, as applicable for Wrap Fee Programs serviced through our affiliated investment advisor XML Financial Group ("Advisor", together as "we") please take a moment to review these important notices, terms and policies that affect the day-to-day servicing of your account(s) and/or other services we provide.

Section 1: Verification of Account Information and State of Residence
Review your personal information and account selections within this document carefully. If any information is incorrect or changes in the future, such as your financial status, account objective, risk tolerance or state of residence you agree to notify us promptly in writing. If you are changing your state of residence or adding an associated person to direct account transactions notification to XML BD should be made prior to moving. You further acknowledge that, unless an exemption applies, should XML BD and/or your servicing financial professional need to apply for registration in the respective state of jurisdiction, securities activity will be delayed until XML BD and the financial professional are approved to conduct securities business in the applicable state.

Section 2: Customer Identification Program ("CIP"): Verification of Identity (Individuals and Entities)
Federal law requires all financial institutions to obtain, verify, and record information that identifies each individual who opens an account or has the authorization to direct transactions. We will ask for your name, address, date of birth and other information that will allow us to properly identify you. We may also ask to visually verify your U.S. state or government issued driver's license, passport, or other valid identifying documents. Accounts may not be titled in contradiction to government issued identification documents. For entity accounts, formation documents to verify beneficial ownership criteria and authorized individuals' identification information is required.

We will take measures to comply with the Customer Due Diligence Requirements for Financial Institutions, published by FINCEN on May 11, 2016, as amended on September 29, 2017 ("CDD Rule" or "Rule").

Section 3: Meaning of Investment Terms
The meaning of investment terms can vary from individual to individual, thus there could be different interpretations of the terms. You acknowledge that you have discussed the investment terms and feel you have a mutual understanding of the meanings with your Financial Professional.

Section 4: Security of Client Information
We continually strive to keep your information accurate, secure, and confidential. We conduct training and maintain confidentiality agreements with employees and have Customer Information Protection policies in place. We maintain physical, electronic, and procedural safeguards to comply with federal and state standards and are committed to protecting your financial privacy.

Section 5: Delivery of Mailings for Multiple Accounts
We may send account information regarding each of your accounts in a combined mailing if the same address is used for the respective accounts. If you would like to decline consent for combined mailing, please notify us via the Contact information below.

Section 6: Business Continuity Plan ("BCP") Disclosure
It is our goal to provide you with a high level of service no matter what disruption the firm may be experiencing. We have developed a BCP to respond to events that may create a significant business disruption ("SBD"). Since the timing and impact of a SBD are unpredictable, we will have to be flexible in responding to events as they occur. We plan to quickly recover and resume business operations after a SBD and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and enabling our clients to transact business as best we can. In short, our BCP is designed to enable our firm and employees to resume operations as quickly as possible, given the scope and severity of the SBD. However, your orders and requests for funds and securities could be delayed during the SBD. Our BCP addresses the following: records retrieval; data backup and recovery; mission critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical suppliers, contractors, bank and custodial impact; regulatory reporting; and providing an alternate means for our clients to access funds and securities if we are unable to continue our business. We maintain backups of electronic files and off-site storage of archived physical records. The custodians of accounts also store important electronic records in their own systems. We review and incorporate the BCPs of our custodians into our BCP and will communicate alternate instructions as needed.

Contacting Us - If due to an SBD you cannot reach us through normal communications please refer to our website at www.xmlfg.com for notifications. If physical operations at one branch office are impacted, the other branch offices will serve as alternate contacts. In addition, most employees are enabled to work remotely.

Section 7: Limitations of Service (Tax and Legal)
Our employees and Financial Professionals are not licensed tax or legal professionals and should not be relied upon for professional tax or legal advice. Materials provided by us are not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Individuals are strongly encouraged to consult with their personal tax and/or legal professional before making any tax- or legal-related decisions, investment-related or otherwise.

Section 8: Complaint Reporting
Financial professionals service your account and answer any questions or concerns that you may have. In the unfortunate event that you wish to discuss or convey a complaint, please contact us via the Contact information below.

Section 9: Mutual Fund Share Class Overview
Open-end mutual funds offer various "share classes". Each share class has unique features and expense structures. This is a general discussion of three common share classes; however specific details will vary among fund companies. The type of share classes offered, the type of account they are limited to and the characteristics continue to evolve among mutual fund companies. So please consult the specific mutual fund's current prospectus for detailed information regarding the share classes offered for each type of account, specific charges and expenses, as well as important fund disclosures and product information. FINRA offers a free tool to compare funds at http://www.finra.org/Investors/index.htm.

Please inform the Financial Professional which type of share class you prefer.

A SHARES – impose a sales charge paid up-front and reduce the amount of funds initially invested. If investors are holding certain levels of the respective fund family mutual funds, the initial sales charge for purchase can be reduced by breakpoints or 'rights of accumulation'- if you intend to purchase additional shares over a time period. While A shares have higher up-front charges, if held for longer periods of time, typically greater than 5 - 7 years, the long-term sales cost of holding the fund is usually less than if an investor initially purchased a C share class of the same fund and held for the same period. However, if you sell this fund, for example, within the break-even period, and purchase another A share that imposes a sales load, you'll likely not realize the intended savings of this share class. Ask the Financial Professional if there is another fund to exchange within the same fund family to avoid another sales load.

C SHARES - characteristically have a consistent sales charge. There is a contingent deferred sales charge applied (CDSC) for selling the fund within one year of purchase. Compared to an A share class without any breakpoints applied, a C share class total expenses can be less if held less than 5-7 years, depending on the fund. After a long holding period the C share class likely has total higher expenses than its comparable A share. It is important to estimate your holding period as best you can, how you feel about holding enough assets with one fund company – across different funds – to take advantage of breakpoints and how much flexibility you would like to change funds across multiple fund families and their subsequent funds. *Note: Some mutual fund companies, such as 529 plans, enable an automatic conversion of C shares to A shares after a number of years, for example with Virginia's CapitalGroup American Funds CollegeAmerica plan.*

R SHARES - This class is designated for retirement accounts. These funds do not carry a front-end or back-end sales charge. However, internal operating expenses vary greatly from one fund family to another. They generally may only be purchased through 401(k) and other employer sponsored plans.

Section 10: Municipal Securities Disclosure
XML BD is a FINRA member broker-dealer and registered with the Municipal Securities Rulemaking Board ("MSRB"). The use of the term "registered" by us does not imply by itself any level of skill or training. The website address for the MSRB is www.msrb.org, which includes access to the MSRB Rule Book and an investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. Municipal bonds offering official statements are available electronically at http://www.emma.msrb.org/. If you prefer hard copy delivery of Municipal Bond Official Statements for your account transactions, please contact us via the Contact information below.

Section 11: Qualified Plan Rollovers
When you depart your employer if you had an account with your employer's sponsored qualified plan account, there are several options you have. These include the following which we encourage you to discuss with your Financial Professional. **Read more in Retirement Asset Education Center the found on https://www.xmlfg.com/resources/.**

1) Leave the money in the former employer's plan, if permitted;
2) Rollover the assets to a new employer's plan, if one is available and permitted;
3) Rollover to an Individual Retirement Account ("IRA"); or
4) Cash out the account value.

Each choice offers advantages and disadvantages, and among the considerations that should be made include: investment options, services, fees and expenses, withdrawal options and tax penalties, ability to take a loan, required minimum distributions, protection from creditors and legal judgments, tax treatment, employer stock considerations (if applicable), investor's unique financial needs and retirement plan details. Your Financial Professional has a conflict in that they will receive compensation related to the assets regarding a recommendation to move the assets with us, versus a recommendation to proceed with any other option where we or the Financial Professional will not receive compensation.

Section 12: SIPC Member Firm
XML BD is a member of the Securities Investor Protection Corporation ("SIPC"). For more information or to request a SIPC brochure, please ask your Financial Professional or contact SIPC at https://www.sipc.org/ or (202) 371-8300.

Section 13: Investment Check Deposits
Checks for deposit into an investment account must be made payable to the custodian. List the account number in the memo section. *Example: Payable to:* "First Clearing". If you have any questions, please consult your Financial Professional. Checks for account deposit should not be made payable to a financial professional or to XML BD.

Section 14: Privacy Policy
Please refer our privacy notice on https://www.xmlfg.com/brokerage-services/ under Disclosures.

Section 15: Trusted Contact
We want to have the right tools available to serve your best interests. We would like to know whom you wish us to contact for assistance should we ever have concerns or questions about your overall well-being, health or your welfare (endangerment, self-neglect, or financial exploitation, etc.), or if we are unable to contact you and are concerned. While we hope to never need to use this contact information, we feel it's a prudent step in looking out for your best interests. This should be another individual other than a joint account holder, spouse, or power of attorney (POA).

We encourage you to learn more about the use of a Trusted Contact at https://www.finra.org/investors/learn-to-invest/brokerage-accounts/establish-trusted-contact.

Please provide your financial professional with the following information regarding your Trusted Contact or ask for our separate **Trusted Contact form: Trusted Contact Name, Relationship, Phone, Email, and Mail Address**.
By providing this information you authorize us to contact your Trusted Contact regarding your wellbeing. This authorization is optional and you may withdraw it at any time by notifying us in writing and you may change your Trusted Contact by providing new Trusted Contact information. This does not authorize the Trusted Contact to direct trades or withdrawals or receive account balance information. *This request is made per FINRA Rule 4512.*

Section 16: Order Routing and FINRA Rule 606 Disclosures
The U.S. Securities and Exchange Commission's Rule 606 requires all broker/dealers that route orders in equity and option securities to publish quarterly reports that provide a general overview of their routing practices. This report must identify the venues to which non-directed customer orders in U.S. exchange-listed equity securities and options were routed for execution and disclose the material aspects of the broker/dealer's relationship with such venues. The purpose of this report is to provide the public with information on how broker-dealers route orders, enable the evaluation of order routing practices and foster competition among market participants. Upon request, broker-dealers also must disclose to customers the venues to which their individual orders were routed. Each customer may request a written copy of the report be mailed to them at no charge.

For accounts held at First Clearing, XML BD enters all equity orders through the order entry system of the custodian and clearing firm, First Clearing, a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker dealer and non-bank affiliate of Wells Fargo & Company ("FC"). With the exception of our clearing broker/introducing broker relationship with FC, we have no material relationships with any of the venues referenced in the FC reports. We do not receive compensation or payment for order flow. The SEC Rule 606 requires broker dealers that route orders in certain equity and option securities to make available quarterly reports that present a general overview of their routing practices. If you would like to obtain further information regarding the primary market centers selected by FC to handle orders, you may access FC's quarterly "Order Routing Report" by accessing this web link (Public Disclosure –

SEC Rule 606 Reports).The BD's Rule 606 order routing disclosures and that of Clearing Firms' are available through https://www.xmlfg.com/important-notices/.

Contact Information
Attn: Compliance, 6901 Rockledge Drive, Suite 730, Bethesda, MD 20817, by telephone 703-827-2300 or by email to info@xmlfg.com.

FACTS

WHAT DOES XML SECURITIES, LLC DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ■ Social Security number and income ■ account balances and transaction history ■ investment experience and account transactions When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons XML Securities, LLC ("XML BD") chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does XML BD share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	**Call our main line at 703-827-2300**

XML SECURITIES

Who we are	
Who is providing this notice?	XML Securities, LLC, member FINRA/SIPC ("XML BD")

What we do	
How does XML BD protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does XML BD collect my personal information?	We collect your personal information, for example, when you ■ open an account or give us your income information ■ make deposits or withdrawals from your account ■ direct us to buy securities; direct us to sell your securities We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ■ Our affiliates include XML Financial, LLC and Focus Operating, LLC.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ■ XML Securities, LLC does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ■ XML Securities, LLC does not jointly market.

Other important information

For Insurance Customers in IL, OH, OR, and VA only. The term "Information" in this section means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may provide your Information to insurance support companies that may retain it or send it to others as needed to service your account. We may share your medical Information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you provide authorization. To review your Information, write to Compliance at 6901 Rockledge Drive, Suite 730, Bethesda MD 20817or call 703.827.2300.

State Laws: If you are a California or Vermont resident, we will automatically limit sharing of your information per state laws. Nevada law requires us to disclose that you may request to be placed on XML BD's internal "do not call" list at any time by calling 703.827.2300, and that we are providing this notice to you pursuant to state law, and that you may obtain further information by contacting the Nevada Attorney General, 555 E. Washington Ave., Suite 3900, Las Vegas, NV 89101; phone 702-486-3132; email BCPINFO@ag.state.nv.us.