IMPORTANT CLIENT INFORMATION

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IMPORTANT CLIENT INFORMATION

This Important Client Information document provides disclosure related to clients' relationships with Capitol Securities Management, Inc. ("CSM" or "us") us, including information on conflicts of interests, costs and fees, and other investment-related information. Statements in this document (i) expound on and provide more definitive information on matters discussed in our Form CRS, which is summary in nature and limited in substance and size by the Securities and Exchange Commission ("SEC"); and (ii) are subject to the more complete terms and conditions of our brokerage or investment advisory agreements and disclosures (including Form ADV Part 2 or our Wrap Fee Program Brochure, as applicable, when we act as investment adviser, which is available at adviserinfo.sec.gov/IAPD. We may amend this document from time to time and you will be bound by the amended disclosures if you elect to continue receiving our services after delivery of the amended disclosures. Updated copies of this document are available at www.capitolsecurities.com/regulatory-disclosures. If you would prefer to receive a paper copy of the information referenced in website links throughout this document, please contact your financial professional or please call our Compliance Department at 804-612-9700. We encourage you to read the contents of this document and reach out to your advisor if you have any questions.

SECTION I—CAPITOL SECURITIES MANAGEMENT

STANDARD OF CONDUCT—REGULATION BEST INTEREST

Under the SEC's Regulation Best Interest, all registered associates of Capitol Securities (including your financial professional) are required to act in the best interest of a retail client (such as a natural person using our services primarily for personal, family, or household purposes) at the time they recommend any securities transaction or investment strategy involving securities (including account-type recommendations). The requirement under Regulation Best Interest that we act in the best interest of the retail client is limited to when we make a recommendation of a security, type of account, or investment strategy involving securities to a retail client.

You should understand that, as a broker-dealer, we have conflicts of interest when we make a recommendation of a securities transaction, type of account, or investment strategy involving securities, including that we are compensated based on the sale of securities to you, and that we recommend securities that are sponsored or managed by our affiliates and that pay additional, and oftentimes significant, compensation to us. These conflicts of interest are described in greater detail below, as well as in other documents such as your account agreement, prospectuses and other product disclosures, trade confirmations, and account statements. When Regulation Best Interest applies, financial professionals may be required to disclose additional information specific to them, such as material limitations on the securities or investment strategies involving securities that they may recommend, differences in their investment approach from ours generally, and any conflicts of interest that may be unique to them. If that is the case, then your financial professional will disclose such additional information to you orally or in writing before or at the time they make the recommendation to which that additional information relates.

CAPACITY

Broker-Dealer

As a broker-dealer, our primary service is (non-discretionary) buying and selling securities for your account at your direction. Through associates and financial professionals, we can offer recommendations to buy, sell, or hold securities, but you make the final investment decisions.

Investment Adviser

For information regarding our advisory practices and accounts, please visit https://adviserinfo.sec.gov/IAPD for the Form ADV (or Wrap Fee Program Brochure, as applicable). Any investment advisory account or relationship with you is subject to the terms of the advisory agreement that you sign, and begins only after that advisory agreement is accepted by us.

Raymond James and Associates, Inc. ("Raymond James")

All brokerage accounts for CSM retail clients are held at Raymond James. Raymond James serves as the qualified custodian to CSM clients and provides certain operational, clearing, custodial, and recordkeeping services for your brokerage account. Aside from our contractual arrangement with Raymond James for the provision of custodial services, we operate an independent business. At times, the services we offer will differ from the services offered by other firms with custodial arrangements with Raymond James. If your account is held in custody with Raymond James, you will receive monthly or quarterly statements. Please refer to important information from Raymond James on the custodial services offered to you in Raymond James "Important Client Information" disclosure document found here: https://www.raymondjames.com/custodyclearingICI.

Interactive Brokers

Accounts for high net worth institutional investors with account balances over $50,000,000 may be held at Interactive Brokers. Interactive Brokers serves as the qualified custodian for these accounts and provides certain operational, clearing, custodial, and recordkeeping services for these high net worth institutional client brokerage accounts. Aside from our contractual arrangement with Interactive Brokers for the provision of custodial services, we operate an independent business. At times, the services we offer will differ from the services offered by other firms with custodial arrangements with Interactive Brokers. If your account is held in custody with Interactive Brokers, you will receive monthly or quarterly statements from Interactive Brokers.

Direct Business

Some of our clients hold investment company shares (mutual funds) directly with the product sponsor or issuer. For these accounts, custodial, operational and recordkeeping services are provided directly to you by the issuer. If your shares are held directly with an issuer or product sponsor, you will receive monthly or quarterly statements directly from the issuer or product sponsor.

Financial Professionals

Regardless of your financial professional's title, all recommendations regarding your brokerage account will be made in a broker-dealer capacity, and all investment advice regarding your advisory account will be made in an investment advisory capacity. When your financial professional makes a recommendation or provides investment advice to you, your financial professional will make clear, orally or in writing, for which account the recommendation or investment advice is being made.

OUR AFFILIATED ENTITIES

Capitol Securities Management, Inc. (CSM) is a dually registered full-service broker-dealer and investment adviser. CSM financial professionals are registered representatives of CSM. Most of our financial professionals are also investment adviser representatives of CSM. As such, their compensation generally includes transaction-based commissions and advisory fees, as further described in this document and summarized in the Form CRS. Additional information regarding CSM and its financial professionals may be found on FINRA's website at www.finra.org and on the SEC's website at www.adviserinfo.sec.gov.

CSFG Insurance Agency (CSFG) is a general insurance agency, which is licensed to sell certain insurance and annuity products. Through the financial professionals of its broker-dealer affiliates, CSFG provides product and marketing support for a broad range of insurance products, principally fixed and variable annuities, life insurance, disability insurance and long-term care coverage.

SECTION II—ACCOUNT TYPES AND SCOPE OF SERVICES

BROKERAGE ACCOUNTS

As a broker-dealer, our primary service is buying and selling securities for your account at your direction. We offer recommendations to buy, sell, or hold securities on a non-discretionary basis. This means that you make the ultimate decision regarding holding, purchasing and/or selling investments. Information regarding the differences between broker-dealers and investment advisers, as well as their respective service offerings, is summarized in our Form CRS. If you would like a copy of Form CRS, please go to www.capitolsecurities.com/regulatory-disclosures, ask your financial professional, or call us at 804-612-9700. Important information about activity in your brokerage account is disclosed to you in transaction confirmations and statements sent to directly to you by the custodian.

Requirements to Open a Brokerage, Direct Account or Retirement Account

We require prospective clients to provide us with contact information, information that assists us with meeting our obligation to verify identity or beneficial ownership of an entity and information that will help us make recommendations. This includes, but is not limited to, information about your investment experience, objectives, goals and risk tolerance. Once accepted as a client of our firm, we ask that you keep us informed with updates as they occur. Other information may be necessary to complete specific types of transactions or to open certain accounts. For instance, to open an Individual, SEP or Roth retirement account we require that you provide information about your beneficiary(ies). This information will be collected from you at the time of the recommendation, as applicable. We may also ask for financial information for clients opening an account at Interactive Brokers who seeking to qualify as a high net worth individual.

We retain the authority, in our discretion, to decline to open or maintain any account or service, and to decline to accept or act upon any order or instruction. Without limiting the scope of the preceding sentence, for prospects and clients who reside outside of the U.S., are incorporated/formed outside of the U.S., or have other significant connections to countries outside of the U.S., we may in our discretion (i) decline to open or continue an account or service, (ii) require a minimum account or relationship amount to open or continue an account or service, (iii) require additional information or documentation as a condition of providing an account or service, or (iv) otherwise restrict the accounts, products, or services that we will provide.

Retirement Accounts

We may recommend that you move assets or "roll-over" from an employer-based retirement plan to a retirement account offered by our firm. Please be advised of your options, and what this means to you.

If you leave your employer you typically have four options (and may engage in a combination of these options):

- leave the money in the former employer's plan, if permitted;
- roll over the assets to your new employer's plan, if one is available and rollovers are permitted;
- roll over to an Individual Retirement Account; or
- cash out the account value.

Each choice offers advantages and disadvantages, depending on your desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and your unique financial needs and retirement plans. The complexity of these choices may lead you to seek assistance one of our financial professionals. The options that we offer you will result in revenue to our financial professionals and our firm. Therefore, we have an incentive to recommend that you "roll-over" your employer plan to us. Please consider each of your options before making a decision.

ADVISORY ACCOUNTS

Information regarding our advisory business practices and accounts is summarized in the Form CRS and more fully described in the Disclosure Brochure (Form ADV Part 2A), the Wrap Fee Program Brochure(s) and the Supplementary Disclosure(s) (Form ADV Part 2B), as applicable (collectively, the "Advisory Disclosure Documents"). These disclosure documents are provided to you when you open an advisory account, available on request and can also be located at https://adviserinfo.sec.gov/IAPD.

ACCOUNT MONITORING

In an investment advisory account or relationship, we conduct ongoing monitoring of advisory accounts tailored to the advisory relationship with the particular client and type of advisory account, except for certain periodic or point-in-time investment advice, such as financial planning. In contrast, in a brokerage account or relationship, we are neither required nor agree to provide account monitoring services. Although individual financial professionals may voluntarily consider holdings in your brokerage account or brokerage relationship for purposes of determining whether to provide any recommendations to you, this does not constitute an account monitoring service for that brokerage account or relationship. This distinction between a brokerage account or an advisory relationship is important, and you should consider it, among other factors such as the payment of commissions versus asset-based fees or the availability of discretionary advice, when deciding what kind of account or relationship to have with us.

INVESTMENT APPROACH

We support your financial professional's use of a disciplined process for developing investment recommendations to achieve your financial objectives. Your financial professional will seek to understand your objectives through clear communication with you about your financial situation, as well as your unique needs, goals and preferences, prior investment experience, risk tolerance, and other important information about you. In making a recommendation, your financial professional will evaluate a range of potential investment products and financial services. We provide a variety of resources to assist your financial professional in evaluating the costs, risks, rewards, and other characteristics of investment options. Your financial professional may recommend a comprehensive strategy or may address a particular component of your financial objectives, based on the information you provide.

Periodically reviewing and refreshing your investment strategy with your financial professional is essential to ensuring your investment Portfolio remains appropriately invested and aligned with your risk tolerance and objectives. With that in mind, please notify your financial professional of any changes to your financial or personal circumstances that impact your investments or your investment profile.

SECTION III—COMPENSATION, COSTS, AND FEES

COSTS AND FEES

In a brokerage account, you will incur transaction charges when you buy or sell securities, such as commissions; markups and markdowns (analogous to commissions in a principal transaction); upfront or ongoing fees that you pay to a mutual fund or other product issuer, a portion of which is paid to us in connection with your transaction; and handling and processing fees on securities transactions.

Depending upon your account and relationship, you may also incur periodic account maintenance or custodial fees, that CSM receives, as well as processing, service, and account fees upon certain events or occurrences.

One example of this is a retirement account, such a SEP (SEP IRA), Roth (Roth IRA) or Individual Retirement Account (IRA) in which you will incur an annual maintenance fee. This fee is charged directly to your account by Raymond James, or by the issuer holding your account. CSM receives a portion of this annual maintenance fee.

Another example is a margin or securities-based loan account. You will incur interest charges if you borrow on margin or through a securities-based loan in any of your accounts. Certain investments, such as mutual funds, have embedded fees that are generally paid by you indirectly to the companies that sponsor, manage, or promote the investment.

You will pay costs and fees whether you make or lose money on your investments.

Costs and fees will reduce any amount of money you make on your investments over time. Please make sure you understand what costs and fees you are paying. We make detailed information available to you regarding the investments and services we offer through prospectuses, applications, agreements, subscription documents. We encourage you to carefully review the information before you make an investment decision.

BROKERAGE COMMISSIONS

Certain charges are levied on the purchase and sale of securities in brokerage accounts. These charges, commonly referred to as "commissions," are imposed by CSM for providing brokerage services including trade execution. Additional transaction fees are imposed to cover handling costs. Typically, a brokerage commission and other transaction fees are charged to clients by adding to the principal amount of a purchase or subtracting from the proceeds of a sale of a security, which is deducted from the client account. Generally, commissions are calculated based on the principal purchase or sale amount involved and vary depending on product type, quantity of securities purchased, and other factors. Specific fees are itemized on transaction confirmations and account statements. Trade confirmations also reflect commissions that were charged. If you have a brokerage account, our custodians, Raymond James or Interactive Brokers, provide trade confirmations and accounts statements to you. If you have a direct account, the issuer or product sponsor provides statements and confirmations to you. For additional information regarding charges for accounts custodied at Raymond James, please visit www.capitolsecurities.com/client-account-fees-and-charges/.

For accounts custodied by Interactive Brokers, please visit https://www.ibkr.com/commissions or additional information on transaction fees, minimums and maximums on the commissions charged.

Financial Professional Compensation

CSM pays financial professionals a portion of the commissions that we receive. Financial professional's compensation generally will increase as the aggregated commissions increase in a brokerage account. Please consider whether an advisory account may be beneficial if you anticipate frequent trading. Alternatively, please consider whether paying an annual fee may be more costly than paying commissions in a brokerage account if you plan to hold investments for longer periods of time, purchase and hold high-quality fixed income securities until maturity, or otherwise trade relatively infrequently.

You should also consider that there are often embedded costs in actively managed portfolios (*i.e.*, advisory accounts) and certain types of packaged investments, even if these investments are purchased in an advisory account. When investment managers for a portfolio or a packaged investment buy or sell stocks, bonds, or other underlying securities, there is a bid/ask spread and transaction costs to the manager that are absorbed by the investor in the form of reduced returns.

When a financial professional joins us, they may also receive compensation in connection with joining our firm. This may include an upfront payment and additional compensation based on the growth in total assets they manage. This creates incentives for financial professionals to encourage you to move your assets to CSM.

ADVISORY FEES

Information regarding our advisory business practices, advisory accounts, and applicable fees is summarized in the Form CRS and more fully described in the Advisory Disclosure Documents. A copy of these disclosure documents is provided to you at the time of opening a new advisory account, available on request, and can also be located at https://adviserinfo.sec.gov/IAPD.

PRODUCT COSTS AND FEES

In addition to commissions, most products and services have other associated costs and fees, as summarized below in Section IV—Investment Products and Services.

These costs and fees are detailed in a product's relevant offering documentation where applicable. Sometimes, when the fee or cost is charged directly to you, it will be reflected on your trade confirmations and account statements that are provided to you by our custodians, Raymond James or Interactive Brokers. Other times, costs and fees are charged indirectly, such as an internal service fee or 12b1 fee charged by a mutual fund. Because some costs and fees are charged indirectly to you but still impact the overall cost of your investment, it is important that you consider any offering material, such as a prospectus in addition to the information provided below in Section IV.

CONFLICTS RELATED TO COMPENSATION

Commissions or transaction charges differ from one product to another, which creates an incentive for us to recommend products that have higher transaction charges. In addition, in a brokerage account, you will incur greater total transaction charges when there are more trades in your account, which creates an incentive for us to encourage you to trade more often. We have established a recommended and a maximum commission for transactions in your brokerage account. Financial professionals are permitted to offer discounts below the recommended or maximum commission amount.

Commissions and certain service and administrative fees earned by financial professionals or us may not apply if such products and services are purchased or utilized in a wrap fee-based advisory account where you pay a fee in lieu of a commission for investment transactions in the account.

In addition to compensation, CSM provides financial professionals with access to financial incentives for affiliating with our firm. These arrangements include, but are not limited to transition assistance, bonuses, deferred compensation arrangements, enhanced pay-outs, repayable business transition or working capital loans, forgivable loans, administrative fee reimbursements, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your financial professional is incentivized to recommend that clients open and maintain accounts for advisory and/or brokerage services. These incentives may influence your financial professional's recommendation that you transition your account(s) to the firm.

Non-Cash Compensation

We receive various forms of non-cash compensation from product vendors who sell or issue mutual funds, annuities, insurance, unit investment trusts, and other securities. Among other things, we receive payment of expenses related to training and educational efforts directed toward financial professionals, including participation in conferences organized or sponsored by us to provide generalized information not specific to any product. And third party product sponsors reimburse our financial professionals when they incur expenses related to seminars they host for you. You should be aware of these means of compensation before attending investment seminars. We may also receive meals and entertainment of reasonable and customary value, and gifts up to $100 per issuer or vendor per year.

OTHER COSTS AND FEES

For accounts custodied at Raymond James: To view an up-to-date listing of the current fees associated with administrative account costs, please visit: https://www.capitolsecurities.com/client-account-fees-and-charges/

For accounts custodied at Interactive Brokers: To view an up-to-date listing of the current fees associated with administrative account costs, please visit: www.ibkr.com/otherfees

Part of our commitment to providing you the professional guidance you need to meet your financial objectives is helping you to understand what you may be charged for services. Certain fees may not apply, or may be discounted, based on the type of account you have and/or the amount of assets you hold in your CSM accounts. Other fees only apply when the associated services are requested or when special processing is required. As a result, many fees list on the fee schedule may not apply to your account. If you have any questions about fees, please contact your financial professional.

SECTION IV—INVESTMENT PRODUCTS AND SERVICES

OVERVIEW

We offer a wide range of investment products and services. Deciding which products and services to invest in can be complex. It is important for you to work with your financial professional to evaluate whether the objectives, risks, costs, and other characteristics of a product or service are aligned with your individual needs and objectives.

Commissions described in this Section may not apply if such products and services are purchased or utilized in a wrap fee-based advisory account where you pay one fee for all transaction-related services. Information regarding our advisory business practices, advisory accounts, and applicable fees is summarized in the Form CRS and more fully described in the Advisory Disclosure Documents. Copies of these disclosure documents are available from your financial professional, and can also be found at www.capitolsecurities.com/regulatory-disclosures. Clients should carefully review the Form CRS, the Advisory Disclosure Documents, and the client agreements when deciding whether a fee-based account or a brokerage account is a better fit.

Product Limitations

We do not offer all the securities and services available across the broad markets due to structure, size, and liquidity of the security or similar characteristics of the security or underlying investments, and decisions made for product offerings by our internal investment team or our custodians, Raymond James and Interactive Brokers. Other firms may offer products and services not available through CSM at lower costs. The scope of products and services offered by certain financial professionals may also be more limited than what is available through other financial professionals. A financial professional's ability to offer individual products and services depends on his/her licensing and training. For example, a financial professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. You should ask your financial professional about the securities or services your financial professional is licensed or qualified to sell, and your financial professional's ability to service investments that you transfer to CSM from another firm. You should also review the licenses held by your financial professional by visiting the FINRA Broker Check system at http://brokercheck.finra.org.

Additional Information

Certain products have offering documents that are created by the issuer to provide additional information specific to that product, including specific conflicts of interest. These offering documents are often referred to as "prospectuses," "official statements," "offering circulars," or "offering memoranda." It is imperative that you read and understand a product's relevant offering documentation prior to deciding to invest in that product. Offering documents for products or services offered by our affiliates will contain additional information related to conflicts of interest specific to the affiliate relationship. You will also be subject to additional terms, conditions, and disclosures in additional agreements, documents, and other disclosures that we provide to you from time to time.

UNDERSTANDING INVESTMENT RISKS

Investing is a serious business, which, while offering potentially positive returns over the long run, merits your attention to the associated risks, to the decision- making process, and to changes in your financial needs that may necessitate alterations to your investment approach. You should remember that you bear the risk of loss when investing, and that usually the higher the potential reward, the greater the potential risk of an investment. Additionally, please visit FINRA's investor alert site for additional details on investment risks https://www.finra.org/investors/learn-to-invest.

While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available product offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you, or help you find them.

Securities investments, including mutual funds and even government bonds, are not insured by the federal government against market loss. All investments contain some measure of risk, from the high risks attendant to investing in small, unproven companies to the risks of price fluctuations based on interest rate changes in investments issued by the U.S. Treasury, if sold prior to maturity. Furthermore, reasonable investment objectives can be hindered by factors outside of anyone's control. Among others, you face the following investment risks:

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is created by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, standardized products with active trading markets are more liquid. For example, U.S. Treasury securities are highly liquid, while real estate properties are not.

Reinvestment Risk: The risk that future proceeds from investments will be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the economic environment.

Financial Risk: Excessive borrowing to finance a company's operations increases the risk of loss, as a company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a decline in the market value of a company's securities. Senior debt instruments (*e.g.,* secured bonds) generally have a higher priority of payment if an issuer's financial strength declines when compared with equity investments (*e.g.*, common stocks), and a company facing financial challenges generally must stop paying dividends to shareholders before interrupting interest payments to bondholders.

Correlation Risk: This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a security being riskier than was anticipated.

Counterparty/Default Risk: This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.

Valuation Risk: This is the risk that an asset is improperly valued in relation to what would be received upon its sale or redemption at maturity.

Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the increasing rate of inflation.

Currency Risk: Foreign investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Tax Risk: This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

Cybersecurity Risk: Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); 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. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information. A cybersecurity breach could result in the loss or theft of client data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs.

Technology Risk: Digital and network technologies are critical to conducting business, and we maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others (our custodian and service providers). Technology systems may fail to operate properly or become disabled as a result of events or circumstances beyond our control or the control of our service providers. Technology failures could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties, or the inability to conduct business.

In addition to the above risk factors, certain trading strategies may involve additional risks. For example, a "day- trading strategy" refers to a trading strategy characterized by the regular transmission by a client of intra-day orders to effect both purchase and sale transactions in the same security or securities, which can involve significant risks.

Additionally, investing in speculative securities, such as low-priced stocks and newly issued equity securities, as well as securities of historically unprofitable companies, involves more than average risk and can experience volatile price behavior. For example, with respect to new industries, stocks issued by relatively unproven companies typically have valuations that materially exceed valuations based on traditional business methods. Options are similarly speculative as the price declines over the option's life unless the underlying stock price moves quickly. Although prospective investment returns may be higher than normal, only investors capable of sustaining the complete loss of their investments should purchase speculative securities.

INVESTMENT PRODUCTS & SERVICES
EQUITIES

Product Description:
Equity investments are purchases of shares of securities issued by individual companies, which are typically traded on an exchange. Equity ownership may have a different format depending on the capital structure of a company. For example, ownership interests in Master Limited Partnerships (MLPs) and Real Estate Investment Trusts (REITs) are not structured as "shares," but instead are typically structured as "units" (*i.e.*, MLP Units) or REIT Shares of Beneficial Interest (SBI), usually for the purpose of maximizing tax efficiency.

Features and Characteristics:
Equities are generally more liquid than other products, if traded on an exchange. Some equities offer dividends and some have voting rights. Equities have relatively low minimum investment amounts when compared to other products.

Risks:
Equities can lose value based on poor performance of the issuer or during periods of low trading activity (*i.e.*, illiquidity). Ownership rights are junior to other creditors (*e.g.*, bondholders) in the event of bankruptcy.

Considerations:
General Market Risk: Stock prices of companies with excellent results and fundamentals can decrease materially for substantial periods of time (e.g., in a bear market).

Tax Considerations: Certain equity investments, such as MLPs and REITs, may pass tax liabilities directly to investors.

Initial Public Offerings: Investments in equity securities of newly listed public companies have their own considerations. Please visit www.sec.gov/files/ipo-investorbulletin.pdf for an overview.

Costs and Fees Paid by Clients
Commissions are charged on equity transactions (both purchases and sales). Initial public offerings could have additional fees, which will be described in the applicable offering documents. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

Compensation
Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

Product Limitations:
Please see the *Trading and Execution Services* section below and the *Product Limitations* subsection above in Section IV.

FIXED INCOME

Product Description
Most fixed income securities are debt instruments offering investors defined cash flows, *i.e.*, a fixed amount of interest, and a

specific timeline for return of the par or face value on the bond. In general, specific characteristics of higher quality fixed income cause it to be one of the most predictable asset classes and thus a more conservative means to protect an investor's wealth and/or to provide steady income.

Features and Characteristics

Insurance: Some fixed income securities are insured. Any guarantees such as that of the United States government, FDIC, or any other insurance applies only to the face value of the investment and not to any premium paid, nor does it protect the investor from market risk. There is always the risk that the insurer itself could declare bankruptcy or otherwise fail to meet its obligations under the insurance terms.

Optionality: Optionality refers to special options available to either the issuer or the bondholder. A common option is a call feature. An issuer with a call option is allowed to “call” or retire the bond issue on a predetermined date, at a predetermined price or according to a predetermined formula, prior to the stated maturity date. Callable bonds often provide investors higher yields versus non-callable bonds to compensate investors for the additional risk associated with a call. An issuer would typically call a bond if interest rates are lower and it is advantageous to them to reissue new debt at a lower interest rate. Conversely, a put feature allows the investor, or bondholder, to “put” (retire) a bond early and retrieve their invested principal prior to the maturity date, subject to limitations. Additionally, some bonds have a convertible feature, allowing the holder to convert the bond into stock of the issuing company.

Redemption Provisions: These provisions provide the issuer an option to repay principal prior to maturity and may change the term of the investment, which may affect price or yield calculations.

Estate Protection Feature (Survivor’s Option): Certain bonds include a feature allowing the estate of the beneficial holder to redeem the bond for face (par) value in the event of the beneficial holder’s death, regardless of the price at which the security is trading at that time. If this security has a zero coupon, then it will be redeemed at the accreted value. As certain limitations may apply such as holding periods or annual limitations, please refer to each individual issuer’s offering documents. Brokered certificates of deposit (CDs) also generally include an estate protection feature.

Original Issue Discount (OID): These securities are issued at a price less than the stated redemption price at maturity. OID may be deemed interest income and may be reportable for tax purposes as it accrues whether or not you receive any interest payments from the issuer during the year. Please consult with your tax advisor regarding specific OID tax treatment.

Step-Up Coupon Securities: These securities increase their coupon payments over a period of time according to a predetermined schedule, unless called at the issuer’s option. Coupon adjustments may not reflect changes in interest rates. When investing in a step-up security, you may be accepting lower yields initially than comparable fixed-rate securities in return for the potential of receiving higher yields over the life of the investment. However, there is a greater likelihood that the issuer will call these bonds when prevailing interest rates are lower than the current coupon, potentially affecting the yield on the security.

Variable Coupons: Also referred to as "floater" or "adjustable" rate bonds, these pay interest at rates which vary over time and are tied to a specific index such as Treasuries, the London Interbank Offered Rate (LIBOR), an inflation index, or some other benchmark or combination of indices. Interest payments may fluctuate. Variable rate bonds provide the holder with additional interest income if the underlying rates rise, or with reduced interest income if the rate falls. Central banks and regulators have convened working groups to transition away from LIBOR to replacement interest rate benchmarks. One March 5, 2021, the United Kingdom’s Financial Conduct Authority (FCA), which regulates LIBOR, announced it will cease publication of the most commonly used USD LIBOR tenors after June 30, 2023, though the less commonly used tenors will cease publication after December 31, 2021. U.S. federal banking agencies have issued guidance strongly encouraging institutions to cease entering into contracts that reference LIBOR as soon as practicable, and no later than December 31, 2021.. A change in the reference rate may have a material impact on the value of any securities based on or linked to a LIBOR benchmark.

Zero Coupon Bonds: These securities may have higher price fluctuations since there are no regular interest payments. These are bonds issued at a deep discount. The redemption is for the full face value making up for the lack of periodic interest payments through a lump sum payout at maturity.

Risks

Credit Risk: Generally, bonds with a lower credit rating indicate a higher potential for financial risk and will generally command a higher offering yield. Conversely, bonds with a higher credit rating indicate less likelihood for financial difficulties and generally provide a lower yield to investors. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied. Non- rated securities tend to be more speculative in nature and are less liquid.

Although rating agencies assist in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction, or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A rating agency may also place an issuer under review or credit watch, which may be another indicator of a future rating change. Your trade confirmations, online accounts, and monthly statements display only the ratings of those rating agencies to which we subscribe. For more information on rating agencies, including important disclosures regarding the rating process, please visit www.moodys.com, www.standardandpoors.com, and www.fitchratings.com.

Default Risk: An obligor's inability to remain solvent and pay any outstanding debt obligations in a timely manner. Adverse changes in the creditworthiness of the issuer (whether or not reflected in changes to the issuer's rating) can decrease the current market value and may result in a partial or total loss of an investment.

Interest Rate Risk: Generally, as interest rates rise, the price of a bond will fall and conversely, as interest rates fall, the price of a bond will rise. The yield offered on bonds is based upon a collective associated-risk evaluation, coupled with a market-determined spread over a similarly traded riskless transaction (historically measured versus a similar maturity U.S. Treasury bond). As interest rates fluctuate, the yield on most bonds will be adjusted accordingly.

Reinvestment Risk: Timing of reinvestment of returning interest or principal can cause an investor's return to fluctuate. In a falling interest rate environment, an investor will likely benefit from higher coupons and longer maturities as this prevents the need to reinvest into a lower, less favorable interest rate environment. If interest rates are rising, higher coupon and/or short maturities allow an investor to take advantage of rate increases and put their money to work at improving interest rates.

Liquidity Risk: Liquidity is the ability to sell (liquidate) a position. Many fixed income securities trade in an active secondary market, and many broker-dealers, including us, may maintain a secondary market in securities; however, there is no assurance that an active market will be maintained.

Purchasing Power Risk: The risk that, over time, inflation will lower the value of the returned principal. This means that an investor will be able to purchase fewer goods and services with the proceeds received at maturity.

Currency Exposure: The exchange rate between the U.S. dollar and other currencies will fluctuate and can be unpredictable at times. A decline in the value of a foreign currency versus the U.S. dollar value could reduce the dollar value of securities held in that foreign currency and will reduce the value of that foreign currency held in cash. Foreign currency exchange rates may fluctuate significantly and may be affected by political instability, currency controls, or intervention from the U.S. government, foreign governments, or central banks.

Common Types of Fixed Income Securities Offered at CSM

Corporate Bonds are debt obligations issued by U.S. and foreign companies, most of which represent unsecured promises to repay the principal at a pre- determined future date, although some may be secured by a lien on certain corporate assets. In most instances, the issuing company also agrees to pay interest to investors. As bonds are obligations of the issuer to pay back borrowed funds, they generally have a higher priority to pay interest prior to any dividend distributions on the issuer's preferred or common stock.

Tax-Exempt Municipal Bonds are issued by state and local governments as well as other governmental entities to fund their capital expenditures, such as the construction of highways, hospitals, schools, and sewer systems. Interest on these bonds is generally exempt from federal taxation and may also be free of state and local taxes for investors residing in the state and/or locality where the bonds were issued. However, municipal bonds may be subject to the federal alternative minimum tax (AMT), and profits and losses on bonds may be subject to capital gains tax treatment. Municipal securities may lose their tax-exempt status if certain legal requirements are not met, or if tax laws change. Additional information about individual municipal securities is available on the Electronic Municipal Market Access website (EMMA) of the Municipal Securities Rulemaking Board (MSRB) at www.emma.msrb.org.

Taxable Municipal Bonds are issued by state and local governments as well as other governmental entities to fund redevelopment districts, stadiums, pensions, utilities, and other projects. Interest or other investment return is included in gross income for federal income tax purposes and may also be subject to state and local income tax. A municipal security may be issued on a taxable basis because the intended use of proceeds does not meet federal tax law requirements for the exclusion from gross income, because certain other federal tax law requirements are not met, or because the issue qualifies for a tax credit or subsidy. Additional information about individual municipal securities is available on the EMMA website at www.emma.msrb.org.

U.S. Treasury securities are issued and guaranteed by the U.S. government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value. U.S. government bonds are guaranteed as to the timely payment of principal and interest; however, these securities are subject to market risk if sold prior to maturity. The U.S. Treasury also issues two-year maturity floating rate notes that pay interest and adjust payments quarterly, as well as Treasury Inflation- Protected Securities (TIPS) for which the principal is adjusted periodically to reflect changes in the Consumer Price Index. Since interest is paid on the adjusted principal, the semi-annual payments may fluctuate. At maturity, the investor receives either the higher adjusted principal or the face value.

Brokered Certificates of Deposit (CDs) purchased through a securities broker and held in a brokerage account are considered deposits with the issuing institution and are insured by the Federal Deposit Insurance Corporation (FDIC). FDIC deposits are insured up to $250,000 per issuer (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts. Brokered CDs are redeemable at par upon the death of the beneficial owner. Only the par or face value (not the premium paid) is FDIC- insured. This product is not available for accounts custodied at Interactive Brokers.

Additional information is available from the FDIC at www.fdic.gov/deposit/deposits/index.html, from the SEC at www.sec.gov/investor/pubs/certific.htm.

GSE securities are issued by government- sponsored enterprises (GSEs). Payment of principal and interest is the obligation of the issuer. These securities are also known as agency securities. Although they are not guaranteed by the U.S. government, they maintain an implied backing. They are subject to market risk if sold prior to maturity. Ginnie Mae (GNMA) securities are backed by the full faith and credit of the United States government. This product is not available for accounts custodied at Interactive Brokers.

Mortgage-backed securities and ***Collateralized Mortgage Obligations*** are priced based on an average life, which includes prepayment assumptions that may or may not be met, and changes in prepayments may significantly affect yield and average life. The actual maturity date may be shorter than stated. For more information, please review FINRA's Investor's Guide to Mortgage Securities and collateralized mortgage obligations at www.finra.org. This product is not available for accounts custodied at Interactive Brokers.

Preferred Securities are comparable to fixed income investments as their coupon/dividend payments are generally fixed over the term of the investment and will react similarly to other debt investments to changes in market conditions. Some preferred securities pay variable payments that fluctuate and may provide the holder with additional income if the underlying rates rise or with reduced income if the rate falls. Please refer to the description in the "Variable Coupons" paragraph above. Preferred securities present a greater risk than corporate bonds because they are generally subordinate to debt in liquidation priority. Preferred securities are quoted on either a current yield basis or a yield-to-call basis if trading at a premium. For preferred securities that pay dividends, the dividend is paid at the discretion of the issuer's board of directors, and holders generally do not have voting rights. Preferred dividends may be cumulative or non-cumulative. Some preferred securities may have a deferred interest feature, which allows the issuer, in certain circumstances, to defer payments between 5 to 10 years or longer depending on the security. The deferred income will generally accumulate, and may be treated as ordinary income for the year in which it is accrued, even though the holder of the security receives no payment until the issuer reinstates interest payments. If deferred, the ability of the issuer to reinstate interest payments is subject to the creditworthiness of the issuer. Changes in income payments may significantly affect yield and final term of the investment and consequently the price may decline significantly. Additionally, preferred securities generally carry no change of control provisions. This product is not available for accounts custodied at Interactive Brokers.

Non-U.S. Cash and Bonds: These products are mainly denominated in a local "non-U.S. dollar" currency and will fluctuate when valued in U.S. dollar terms. Cash of a foreign country or securities of non-U.S. issuers may have additional risks, including government interference, differing accounting standards and tax laws, political and social unrest, economic instability, regulatory changes, currency exchange rate fluctuation, currency controls, and lack of comparable and timely information. Foreign currency cash balances held at Raymond James are not covered by SIPC or any additional insurance. This product is not available for accounts custodied at Interactive Brokers.

Costs and Fees Paid by Clients

Identify whether your transaction occurs in the new issue (primary) or secondary market: Like other investments, fixed income securities purchased as new issues take place in the primary market and most bonds bought or sold after the issue date occur in over-the- counter secondary markets which do not generally publish closing prices. Two websites offer information about the prices of transactions in specific bonds including trade history as well as additional market data, offering disclosure documents and education material. For municipal bonds, please visit EMMA at emma.msrb.org/. For other bonds and fixed income securities, please visit bondfacts.finra.org/.

- Primary Market: Details of costs and fees incurred in new issue purchases are disclosed on trade confirmations and in the applicable offering documents.
- Secondary Market: The price paid by you (and by extension, the amount received by us and your financial professional) may be increased or decreased by a markup or markdown, respectively. Markups and markdowns are based on the prevailing market price at the time of trade and represent compensation paid to the advisor and us. In addition to any markup or markdown, you should expect that we will realize a trading profit or loss on a secondary market transaction.

A processing/handling fee is charged for each buy or sell for all fixed income products, *except* for brokered CDs, which have no processing/handling fee. To view an up to date listing of our current fees please visit https://www.capitolsecurities.com/client-account-fees-and-charges/.

Compensation

Primary Market:

- Compensation from the issuer on sales of new issue fixed income securities is generally embedded in the initial offering price through a sales concession or placement fee paid to your financial professional and us.

Secondary Market:

- Your purchase or sale of a fixed income security in the secondary market executed on a principal basis may include a markup or markdown paid to your financial professional and us. The price paid or received may also result in a trading profit or loss to us.
- Your purchase or sale of a fixed income security in the secondary market executed in a riskless principal or agency capacity may include a commission paid to your financial professional and us. The price paid or received may also result in a trading profit or loss to a firm other than us.

Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fes*.

Other Potential Conflicts of Interest

We may receive additional volume compensation on some new issue transactions. However, we do not receive an additional volume-based concessionon syndicate issues purchased through fee- based advisory accounts, except inlimited circumstances on an agency basis if permitted by the underwriting or selling group.

Additional Information

Before investing in any fixed income investment, we encourage you to read the relevant offering documents, which are available from the issuer and your financial professional.

Trade confirmations should also be carefully reviewed and will disclose additional information regarding the capacity in which we are acting and information regarding compensation.

Fixed income products are available for purchase as a standalone investment; however, they may also be available as a part of other products, such as a Unit Investment Trust, or as part of a separately managed account, which offers different risks, benefits, and potentially different costs and fees. These costs and fees could be more or less than those paid by purchasing the product individually.

UNIT INVESTMENT TRUSTS (UITS)

Product Description

A UIT is an investment vehicle comprised of a fully invested fixed portfolio of professionally selected securities. Investors purchase units that represent an undivided ownership in the entire portfolio. Unlike mutual funds, which continually buy and sell securities, a UIT portfolio is generally fixed at the date of deposit, so the investor knows exactly what securities are in the portfolio, when the trust is scheduled to mature (*i.e.*, terminate), and, in case of bond UITs, the estimated income stream the trust is expected to generate for their proportionate interest in the trust. Most portfolios are designed to have a pre- established time frame of usually 12 months to 5.5 years, although some of the fixed income portfolios may be longer. The portfolio is static, or fixed, for the duration of the investment, is valued daily, and can be liquidated each day at netasset value less deferred charges, if any. Liquidity is provided through the trustee of the trust

Common Types of UITs Offered at CSM

Equity UITs

- Strategy portfolios: Seek to outperform a benchmark, such as a specific widely held index, using fundamental screens that reflect the historical behavior of the securities.
- Income portfolios: Typically seek to provide dividend income and may also provide potential capital appreciation.
- Asset allocation portfolios: Invest in different asset classes, styles, and capitalizations, and are designed to meet specific investment objectives to help better manage investors' asset allocation needs.
- Sector Portfolios: Invest in companies involved in a specific industry such as energy, health care, financial services, or technology.
- Hybrid Portfolios: Invest in various underlying holdings, including equities, closed-end funds, and Exchange Traded Funds (ETFs). Many UITs will combine multiple securities within the same portfolio to gain exposure to different areas of the market.
- Research-based Portfolios: Invests in companies identified by our Equity Research analysts as part of an overall equity research list or published research theme created by our Equity Investment Products Group.

Fixed Income UITs

- Tax-Free Fixed Income: Invests in a pool of bonds that provide monthly or semi- annual income exempt from federal income taxes, and in some cases, state income taxes.
- Taxable Fixed Income: Invests in pool of bonds that may include taxable municipal issues, corporate issues, or agency issues that provide monthly or semiannual income.

Features and Characteristics

Greater Diversification: Since a UIT portfolio represents pro-rata ownership in a pool of securities, it provides a higher level of diversification than an investment in a single security; however, diversification does not ensure profit or protect against loss.

Daily Liquidity: A UIT can be redeemed daily at net asset value, which may be more or less than the original purchase price.

Rebalancing Opportunities: When the portfolio terminates, investors have the option to reinvest their proceeds into a new, rebalanced portfolio. Rebalancing may cause a taxable event unless units of the portfolio are purchased in an IRA or other qualified plan, and rebalancing does not ensure profit or protect against loss.

Discipline: Unlike actively managed funds, the securities in the UIT remain fixed over the life of the investment.

No Manager-Driven Style Drift: Because a UIT is clearly defined and not actively managed, there will be no style drift as a result of manager-driven trading.

Capital Gains: In the case of equity- related securities held in the UIT, there are no embedded capital gains. Capital gains taxes are only paid if there is a profit at the time of UIT termination or liquidation.

Risks

Upon termination there is no assurance the value of the UIT will be equal to or higher than the original price. There is no assurance that an individual UIT portfolio will meet its objective. UITs are not actively managed and underlying securities will not be sold to take advantage of market conditions. UITs are not bank deposits and are not insured or guaranteed by the FDIC or any other government agency. While the investor has the flexibility to redeem their units at any time, exiting the trust early will affect the unit holder's investment outcome, since the UIT is meant to be held until termination, and, with respect to Buffered UITs, the value of the options is intended to approximate the intrinsic value only at expiration. In addition, depending on what happens in the market overnight, the trust may receive a better or worse price than what was quoted to the redeeming unit holder, which will result in a profit or loss for the trust. This may affect the returns to the remaining unit holders at the termination of the trust. Buffered UITs invest directly in flexible exchange options, which may be less liquid than standard listed options, and can only be exercised at maturity. Illiquidity of the underlying holdings may adversely impact the value of the UIT. UITs carry additional risks. Please see the applicable prospectus for additional risks related to UITs.

Costs and Fees Paid by Clients

All fees related to UITs, including estimates of ongoing operating expenses and organizational costs, are listed in the "Fee Table" of the trust's prospectus.

Sales Charge: Sales charges for UITs vary based on the maturity of the trust (or the maturity of the underlying bonds if the trust invests in individual bonds). The sales charge is paid over a time period that is set forth in the applicable prospectus, and can include an initial and deferred sales charge (from which a commission is paid to us and your financial professional) and a creation and development fee (which compensates the sponsor for creating and developing the trust and from which a licensing fee may be paid to us). If a client sells or redeems an interest in a UIT prior to the trust maturing, any outstanding sales charges will be deducted from the amount the client receives related to such sale.
UITs may also be available for purchase through select fee-based or advisory accounts offered by us. Instead of paying the initial (if applicable) and deferred sales charges, clients in wrap fee-based accounts pay a fee that is billed monthly or quarterly and based on a percentage of the total value of the account's eligible securities. Wrap fee-based clients will still pay any C&D fee and any operational expenses incurred by the trust.

Organizational Charge: Estimated costs of organizing and structuring the UIT.

Annual Operating Expenses: Includes annual operating expenses such as portfolio supervision, bookkeeping, administrative and evaluations fees, and any trustee fees.
Processing/Handling Fee (as described in the *Section III—Compensation, Costs and Fees*) for each buy, but not each sell.
Compensation
Both CSM and your Financial Professional receive a portion of the sales charge as a commission on the purchase of a UIT. We do not receive a commission on the redemption of a UIT. Additional costs and fees may be paid to us as described in *Section III—Compensation, Costs and Fees*.
Product Limitations
We make available UITs from the following five sponsors: First Trust Portfolios LP, Guggenheim Funds Distributors, Inc., Invesco,

Advisors Asset Management, and Smart Trust. Please refer to the *Product Limitations* subsection above in Section IV.

Other Potential Conflicts of Interest

Generally a UIT's portfolio is not actively traded and follows a "buy and hold" strategy. UITs terminate on a specified maturity date at which point the underlying securities are sold and the proceeds are paid to the investors. The intended objective of a UIT is usually met by holding the UIT until the stated maturity date. UITs impose a variety of sales charges such as a deferred sales charge and a creation and development fee. Because of the long term nature of UITs, their structure, and upfront costs, short term trading of UIT's prior to the maturity date may be not be suitable and may be a more expensive strategy. A conflict of interest exists when a UIT is sold prior to maturity because it can incentivize the financial professional to recommend this strategy because the financial professional will earn compensation on each purchase.

UITs are available for purchase as a standalone investment; however, they may also be available as a part of other products, such as part of a separately managed account, which offer different risks, benefits, and potentially different costs and fees, which could be less than those paid by purchasing the product individually.

Additional Information

Before investing in any UIT, we encourage you to read the relevant prospectus, which is available from the issuer and your financial professional. UITs vs Equity-Linked Notes: There are a variety of ways to invest in the market and many products offer the same or similar strategies and investments, but are structured or packaged in different ways. One example is an equity-linked note ("ELN"), which is described in greater detail in a subsequent section and which shares many characteristics with a UIT, but has some important differences. Both products are suitable options for investors seeking exposure to the performance of one or more specific segments of the markets and both products are sold for a certain window of time for a fixed price and are designed to be held to maturity. Neither product is actively managed and investments held in a UIT and the formulas upon which the performance of ELNs"

MUTUAL FUNDS

Product Description

A mutual fund is a collection of securities owned by a group of investors and managed by a professional investment adviser. A mutual fund pools investors' money to invest in a specific asset classor classes by investing in individual, or a combination of several, underlying securities including, but not limited to, stocks, bonds, money market funds, options, and currencies. Most mutual funds have a particular objective such as immediate income, income and growth, or long-term growth.

Features and Characteristics

- Professional management.
- Potential diversification.
- Daily pricing and redemption.
- Low minimum investment amounts.
- Generally, lower management-related expenses when compared to other forms of professionally advised investments.

Risks

- May lose value based upon market movements in individual securities within the portfolio.
- Concentration within a particular asset class, security type, industry sector, or geographic region.
- Illiquidity of underlying investments within a mutual fund.
- Offshore mutual funds are not registered on any U.S. exchange, so there may be limited information regarding the risks and tax consequences.
- Underlying investments may carry additional risks. Please see the applicable prospectus and the relevant sections of this document, such as the descriptions of fixed income or equities, for additional risks relatedto underlying securities.

Costs and Fees Paid by Clients

Costs and fees vary between mutual fund products—it is imperative that youreview the relevant mutual fund prospectus for a detailed description of charges you will incur.

Ongoing Costs

- Management and operational fees.
- "12b-1" or "Shareholder Servicing" fees.

Sales Charges

- A Shares: Front-end sales charge/commission based on initial investment, which may be discounted for numerous reasons, including larger investments, subsequent investments, or investments in other mutual funds within the same family.
- B Shares: Back-end sales charges/ commission assessed on an annual basis, based on initial investment, and potentially additional charges, known as a Contingent Deferred Sales Charge (CDSC), if sold in a short period of time. After a holding period, B shares usually convert to A shares. New purchases of B Shares are generally not permitted.

- C Shares: Annual sales fee/commission charged over life of investment, based on initial investment amount. Frequently impose a CDSC if you sell within a short period, usually one year. Many C shares convert to A shares after a period of time, at which point the annual charges end. Information about the C Shares recommended to you can be found in the fund prospectus. Conversion occurs within the period of time specified by the fund company's policy or our policy, whichever is shorter.
- Other Share Classes: Some shareholders may qualify to invest in share classes that are intended for specific types of investors, such as retirement plans. Additionally, share classes meant for fee- based or advisory account types can take a number of forms, such as Institutional or P shares, and do not generally contain sales loads or 12b-1 fees.

Reducing Sales Charges

- Breakpoints: Fund families often offer discounts on the sales charges for Class A shares based on the total amount you and your household have invested with the fund family. Such discounts could significantly reduce, and in some cases eliminate, the sales charge that clients pay. The level at which you qualify for the discount is the "breakpoint."
- Rights of Accumulation: These allow you to combine your existing investments in a fund family with your new purchases to reach a breakpoint.
- Letters of Intent: You can take advantage of rights of accumulation from the time you make your initial share purchase by agreeing to invest a certain dollar amount over a specified period of time. However, if the amount stated for investment in the letter of intent is not invested, the mutual fund can retroactively charge you the higher sales charge amount.
- Net Asset Value ("NAV") Transfers and Buybacks: After you redeem your fund shares, some fund families will allow you to "buy back" into certain funds within a certain time frame without a sales charge for Class A shares.
- Switches: If you select funds that are part of a family of funds and purchase Class A shares in a commission-based account, then you can switch among the funds in the family without incurring additional sales charges.

Other discounts and fee waivers may apply based on certain criteria—please refer to the applicable prospectus or the mutual fund's statement of additional information.

Redemption Fees

Mutual funds are generally part of a longer-term investment strategy, and some mutual fund companies will impose a redemption fee (also called an exit fee, a market-timing fee, or a short-term trading fee) if shares are sold within a certain time period, as outlined in the prospectus.

<u>Compensation</u>

Financial professionals and CSM receive a portion of the commission/sales charge, which varies in amount by fund. Financial professionals and CSM also receive a portion of 12b-1 or shareholder servicing fees, which vary in amount by fund. This creates and incentive to recommend a product that pays a higher 12b-1 fee rather than a lower. We also have an incentive to recommend a product that pays 12b-1 fees (regardless of amount) rather than products that do not pay 12b-1 fees. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

<u>Product Limitations</u>

Funds available for purchase through CSM are generally limited to fund companies that have agreements in place with our custodians, Raymond James and Interactive Brokers. Our custodians have an incentive to enter into agreements with mutual fund companies that offer the custodians various compensation. Thus, not all mutual funds available to the investing public will be available to you through CSM, including funds with lower fees and expenses. All share classes offered by a fund company are also not always available due to agreements in place with our custodians. This means that lower cost share classes might not be available to you through CSM, even though you might otherwise be eligible to purchase those lower share classes elsewhere. Please refer to the *Product Limitations* subsection above in Section IV.

<u>Additional Information</u>

Prospectus: Before investing in any mutual fund, we encourage you to read the relevant prospectus, which is available from the fund company and your financial professional, and to review the investment manager's experience, qualifications, tenure, and track record.

Mutual Funds vs ETFs: There are a variety of ways to invest in the market and many products offer the same or similar strategies and investments but are structured or packaged in different ways. One example is exchange traded funds ("ETFs"), which share many characteristics with mutual funds, but have some important differences. Both are suitable options if you are looking for low minimum investment amounts. ETFs offer slightly more price variation—you can buy or sell as the price changes throughout the day, whereas mutual fund prices are held constant for an entire day. Mutual funds generally have more active management, whereas ETFs are generally passive and designed to track the market index. There are other relevant factors to consider when choosing an investment, such as liquidity and specific product costs. You should speak with your financial professional about which options may be best for you.

No FDIC Insurance: While money market mutual funds are often considered cash alternatives and are traditionally lower risk products, they are not insured by the FDIC. If cash was held at a registered bank entity, you could receive the additional protection of FDIC insurance.

CLOSED-END FUNDS

Product Description

Closed-end funds (CEFs) are publicly traded investment vehicles that are actively managed by investment advisers. CEFs have many characteristics that are similar to other pooled investment products, but also have several unique structural differences that should be understood before purchasing shares of a CEF. Shares of CEFs are offered through an initial public offering (IPO), after which they are traded on a stock exchange, similar to equities. The number of shares traded after an IPO are then fixed and the fund is "closed" to additional investment. Similar to open-end mutual funds, each closed-end fund has a net asset value (NAV) which is calculated as net assets of the fund divided by shares outstanding. Unique to closed-end funds, however, buyers and sellers interact throughout the day in an exchange, providing intraday liquidity. As a result of trading in the secondary market, CEFs will have both a market price and a net asset value (NAV). The market price of the fund will then fluctuate based on supply and demand and the value of the underlying securities, which will often lead to a disconnect between price and NAV. This imbalance is what is described as a premium (whena fund's market price is above its NAV) or a discount (when a fund's market price is below its NAV). This is one of the characteristics that differentiate CEFs from their open-end mutual fund counterparts.

Features and Characteristics

- Professional management.
- No minimum investment restrictions or minimum holding periods on purchases.
- Potential intraday liquidity.
- Typically have lower fees than standard open-end mutual funds.

Risks

- Investor sentiment for a particular portfolio manager, fund sponsor, sector, or investment style of a CEF all interact to push the price of a fund to a discount or premium.
- Potential illiquidity of shares since shares cannot be purchased or sold directly through the fund company; liquidity is subject to the fund's trading volume in the market.
- CEFs typically trade at a premium to NAV immediately after their IPO.
- Many CEFs utilize lower-quality securities with leverage to enhance yield, which can generate principal losses, particularly
- in periods of rising interest rates.

Costs and Fees Paid by Clients

Management and operational fees, as more fully described in the applicable prospectus. This includes the cost of borrowing if applicable.

Compensation

Financial professionals and CSM receive a portion of the commissions on purchases and sales. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

Product Limitations

Many products have limitations that include the amount you must invest and/or suitability criteria. This information is often available in the offering materials or the prospectus, and should be your primary source of information. Please also refer to the *Product Limitations* subsection above in Section IV.

Additional Information

CEFs come in many varieties. They can have different investment objectives, strategies, and investment portfolios. They also can be subject to different risks, volatility, and fees and expenses. Before investing in any CEF, we encourage you to read the relevant prospectus and the CEF's most recent shareholder report, which is available from the fund company and your financial professional.

CEFs differ in many respects from mutual funds (also known as open-end funds). Both generally benefit from active professional management, diversification, and defined investment objectives; however, mutual funds issue and repurchase shares directly with the fund sponsor, as needed. Mutual fund shares are issued or redeemed by the sponsor at NAV, which is calculated at the end of the trading day. In contrast, CEF have a fixed number of shares that are bought and sold in an intraday market at prices determined by supply and demand. Therefore, in a mutual fund, the price an investor pays reflects the value of the underlying securities, rather than demand for the fund. Conversely, CEFs trade in the secondary market, with prices fluctuating throughout the day. CEFs do not incur the ongoing costs associated with creating and redeeming shares and typically have lower fees than standard mutual funds. There are also no minimum investment restrictions or minimum holding periods on purchases of CEF shares.

EXCHANGE TRADED PRODUCTS

Product Description

Exchange Traded Products ("ETPs") are investment products that are listed on a national stock exchange and can be bought and sold in the equity trading markets. ETPs encompass a number of structures that track an underlying benchmark, index, or portfolio of securities and commodities. ETPs may be structured as registered unit investment trusts ("UITs"), exchange-traded funds ("ETFs"), exchange- traded notes ("ETNs"), grantor trusts, or commodity pools.

The majority of ETPs are structured as UITs or ETFs whose shares represent an interest in a portfolio of securities that either track an underlying benchmark or index. In order to achieve their objectives, ETPs generally either (a) directly invest in assets such as stocks, bonds, currencies, or commodities that underlie the benchmark, or (b) utilize a representative sampling strategy that attempts to achieve a similar performance to the benchmark without investing in all of the underlying securities of the benchmark. Further description of each ETP's underlying portfolio is available in the respective ETP's prospectus. Additional information regarding UITs is contained in a separate section above.

A number of ETPs employ, to varying degrees, more sophisticated financial strategies and instruments such as leverage, futures, swaps, and derivatives, and short selling, in order to achieve their investment objectives. Those ETPs are commonly referred to as "Alternative ETPs." Alternative ETPs are more complex than traditional ETPs and may not be appropriate for all investors. These may include some ETNs, leveraged or inverse ETPs, some actively managed ETPs, currency ETPs, commodity ETPs, target return ETPs, volatility ETPs, and other products.

Types of ETPs Offered at CSM

Passive or Non-Managed ETPs: These products seek to replicate the performance of an index or benchmark that they track.

Actively Managed ETPs: These products do not seek to replicate the performance of a specified passive index of securities. Instead, they use an active investment strategy to attempt to meet their investment objective. An investor's decision to invest in actively managed ETPs would usually be based on their assessment as to whether the ETP investment manager can select securities that will lead to outperformance versus the benchmark, net of the ETPs fees, over a given market cycle or longer period of time.

Currency ETPs: Currency ETPs may track a particular currency or a basket of different currencies relative to the U.S. dollar, or even against the other currencies.

Commodity ETPs: The majority of commodity ETPs track a commodity, basket of commodities, or commodity index through the use of derivatives such as futures contracts.

Volatility ETPs: Some Alternative ETPs may use a volatility component as a part of their overall strategy, while other Alternative ETPs may identify exposure to volatility as a primary investment objective. Furthermore, some products may seek inverse, leveraged, or leveraged inverse exposure to the CBOE Volatility Index (VIX). Volatility ETPs are not based on, nor do they track, the returns of the VIX, and thus the performance of a volatility ETP will not actually mimic the performance of the VIX

Target Return ETPs: Target Return ETPs are a type of Alternative ETP that employ the use of derivatives contracts to provide predetermined return outcomes based on the price performance of an underlying market over specific timeframes, known as "Outcome Periods". Outcome Periods, which vary by product, are point-to-point periods, over which performance of the underlying market is measured, and the product's upside participation and downside protection features, if any, are applied to achieve the ETP's stated return objective."

Exchange Traded Funds ("ETFs"): These products are typically managed by an investment company whose primary objective is to achieve the same or similar return as a particular market index. ETFs are similar to index funds in that they are primarily invested in the securities of companies that are included in a particular market index. ETFs can be invested either in all of the securities or in a representative sample of the securities included in the index. ETFs may be bought or sold throughout the day on the secondary market, but are generally not redeemable by non-institutional investors for the underlying basket of securities they track. ETFs are more appropriate for those willing to achieve market-like returns, with lower management fees and operating expenses, but with little potential to outperform the respective indexes the funds track.

Exchange-Traded Notes ("ETNs"): A common name for a senior, unsecured debt obligation designed to track the total return of an underlying market index or other benchmark, minus investor fees. The repayment of the principal, interest (if any), and any returns at maturity or upon redemption are dependent on that issuer's ability to pay. Thus, the issuer's potential to default is an important consideration for ETN investors.

Leveraged and Inverse ETPs: Two types of passive or non-managed ETPs are leveraged ETPs and inverse ETPs. Leveraged ETPs seek to deliver multiples of the performance of the index or benchmark they track, whereas inverse ETPs seek to deliver the opposite of the performance of the index or benchmark they track. Most leveraged and inverse ETPs "reset" daily, meaning that they are designed to achieve their stated objective on a daily basis, and meaning that they are highly subject to volatility risk.

<u>Features and Characteristics</u>

- Professional management.
- Low minimum investment amounts.
- Generally lower management-related expenses than mutual funds.

<u>Risks</u>

- If you hold leveraged or inverse ETPs for long periods of time, their performance can diverge significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period. This could lead to increased levels of risk, including without limitation, market risk, volatility risk, liquidity risk, and positive and negative compounding risk. This effect can be magnified in volatile markets and thus these products are primarily appropriate for short-term trading strategies.
- For Target Return ETPs to achieve the stated return objective, if at all, shares must be held for the entirety of the Outcome Period. Purchases after the Outcome Period has begun, and/or sales prior to the conclusion of the Outcome Period, may result in return outcomes that are significantly worse than the Target Return ETP's stated objective, including, but not limited to, a complete loss of any downside protection and/or little to no ability to participate in future gains of the underlying market. Even when held for the full Outcome Period, there is no guarantee that the Target Return ETP will achieve its stated return objective. Target Return ETPs invest directly in flexible exchange options, which may be less liquid than standard listed options, and can only be exercised at maturity. Illiquidity of the underlying holdings may adversely impact the value of the Target Return ETP. Performance of Target Return ETPs will not always correspond directly to the price performance of the intended underlying market.
- The value of a Currency ETP can be affected by changes in the value of the underlying currencies, which in turn can be influenced by a variety of factor such as economic conditions, policy events, and central bank policies. Currency ETPs that invest in foreign currencies are exposed to risks associated with foreign investment, including political and economic risks, currency exchange restrictions, and changes to foreign exchange rates. Fluctuations in currency values can result in significant losses to investors.
- Commodity ETPs may be subject to greater volatility than traditional ETPs and can be affected by increased volatility of commodities prices or indexes as well as changes in supply-and-demand relationships, interest rates, monetary and other governmental policies, or factors affecting a particular sector or commodity. ETPs that track a single commodity may exhibit even greater volatility.
- The performance of Commodity ETPs can deviate significantly from the performance of the referenced commodity or commodity index, especially over longer periods. Contango is a specific futures market condition that can contribute to the divergence from a commodity's spot price performance exhibited by certain commodity futures-linked ETPs. This negative roll yield may lead a systematic erosion of the ETP's value over time.
- Actively managed ETPs typically charge higher fees than ETPs that passively track an index.
- For ETNs, the repayment of principal, interest (if any), and any returns at maturity or upon redemption, are dependent on that issuer's ability to pay. Thus, the issuer's potential to default is a risk. Furthermore, if the issuer's credit rating is downgraded, the trading price of an ETN in the secondary market may be adversely impacted.
- Certain ETFs may be classified as partnerships for U.S. federal income tax purposes. This may result in unique tax treatment, including Schedule K-1 reporting.
- The buying and selling of contracts in the futures market, which could result in losses, could adversely affect the value of the index underlying your ETPs and, accordingly, decrease the value of your investment.
- Risks associated with municipal bond ETPs may include, without limitation, unmanaged investments, financial condition of the underlying issuers, limited diversification, market fluctuations, and illiquidity of the underlying securities.
- The ability of ETP issuers to perpetually create new shares contributes to ETPs efficiently and accurately tracking their respective indices. However, under certain circumstances, issuers may cease or suspend creating new shares, which may cause ETPs to trade at a price that differs significantly from the value of its underlying holdings or index. Furthermore, all ETPs may trade at a premium or discount to their NAV (or indicative value in the case of ETNs).
- Some ETPs may have low trading volumes, which could adversely impact your ability to buy or sell shares at the desired price and quantity.
- ETPs can be liquidated for a variety of reasons, which can cause forced taxable events for investors, including capital gains distributions. Furthermore, there can be closing costs associated with the final liquidation of the ETP as well as index tracking uncertainty as the ETP liquidates its assets. *Costs and Fees Paid by Clients* Management and operational fees, as described in the prospectus.

Compensation
Financial professionals and CSM receive a portion of the commissions on purchases and sales. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

Product Limitations
Certain ETPs are only available on a limited basis due to the investment strategies or underlying investments employed by the product.
CSM, generally does not allow leverage and inverse ETF's to be purchased by clients of CSM due to the aforementioned risks.

Additional Information
Before investing in any ETP, we encourage you to read the relevant prospectus, available from your financial professional.

ALTERNATIVE INVESTMENTS

Product Description
Alternative investments are securities products that serve as alternatives to more traditional investment asset classes and may include investment products such as hedge funds, private equity funds, and private real estate funds "Presently our financial professionals offer eligible clients only private real estate funds. In the future, if CSM financial professionals are allowed to offer hedge funds, private equity funds, or any other alternative investments, they will first have to be approved by the CSM Investment Committee.

Features and Characteristics
- Diversification.
- Access to managers not generally available to individual investors.
- Limited liquidity.
- Tax reporting considerations (some investments produce Form 1099s, while others produce Schedule K- 1s).
- Long-term strategies.

Risks
- Alternative investments involve substantial risks that may be greater than those associated with traditional investments and are not suitable for all investors. They may only be offered to clients who meet specific suitability requirements, including minimum net-worth tests.
- Risks include, but are not limited to, limited liquidity, tax considerations, incentive fee structures, potentially speculative investment products, and different regulatory and reporting requirements.
- Alternative investments often have higher management fees than more traditional investments such as mutual funds.

Costs and Fees Paid by Clients
Fees and expenses related to alternative investments are often higher than those of more traditional investments. Each investment will differ in the types and calculation methodologies of fees and expenses, but the following are the primary categories of fees and expenses that are common to many alternative investments. You should review the offering documents carefully for a complete listing and description of all fees and expenses associated with a particular investment.

Management Fees: The fund manager for any particular investment will often charge a management fee that is based on the total value of your investment.

Incentive-Based Compensation: Many alternative investment managers receive incentive-based compensation (also known as incentive fees or carried interest) in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of the investment's profits generated for clients.

Upfront or Ongoing Servicing Fees or Placement Fees: Many alternative investments have upfront costs and ongoing fees, generally based on the total amount of your investment, directly related to compensating your financial professional and us, as described in the offering documents. You can expect that the total level of compensation received by us will be related to the total client capital placed with a particular manager or investment. Some of the upfront fees can be discounted at the discretion of your financial professional or by meeting certain volume discounts.

Redemption Fees: Some investments have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors. Redemption fees assessed by a manager are more fully described in the offering documents, as applicable.

Other Expenses: Alternative investment strategies may be accessed through a variety of legal structures, including mutual funds, limited partnerships, and limited liability companies. Investors may incur organizational and offering expenses that are related to the creation of the legal structure and marketing of the investment. These costs ultimately serve to decrease the amount of capital that is available to invest. Additionally, investors may incur other expenses that result based on the investment activity of the fund. For example, in a real estate fund, investors may be charged for expenses related to the acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Generally, investors in alternative investment funds will also bear the cost of certain ongoing expenses related to administration of the investment. These expenses may include costs related to tax document preparation, auditing services, or custodial services.

Manager Fees & Expenses: Alternative investment managers may charge investors other fees and expenses. You should review the offering documents carefully for a complete listing and description of all fees and expenses associated with a particular investment.

Compensation

Incentive-Based Compensation: A portion of incentive-based compensation to which the investment's investment manager is entitled. The portion of incentive fees we receive can be up to 100% of the incentive fee collected by an investment manager.

Upfront or Ongoing Servicing Fees or Placement Fees: A portion of the upfront and ongoing servicing fees referenced in the immediately preceding section on costs and fees.

Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs, and Fees*.

Product Limitations

Alternative investments are only available to certain investors, based on the type of investment and the required qualifications for investors. Alternative investments available for purchase through us are generally limited a select group of issuers that have been positively evaluated through the due diligence process. Thus, not all alternative investments available to the investing public will be available to you through CSM, including investments with lower fees and expenses, and potentially higher returns.

Additional Information

Before investing in any alternative investment, we encourage you to read the relevant prospectus or offering document, which is available from your financial professional.

STRUCTURED INVESTMENTS

Market-Linked Notes and Market-Linked CDs

Product Description

Also commonly known as Market-Linked Investments, a structured investment starts with an ordinary investment like a stock, an exchange-traded fund (ETF), or a market index, commonly referred to as the "underlier." The structured investment is designed (or "structured") around the underlier, linking its performance to the underlier in some manner. Structured investments are distinct in that they come in a wide variety, each with unique terms and conditions designed to achieve specific investment outcomes. Some offer greater protection against loss with moderate or limited growth potential, while others possess greater growth potential but come with less downside protection. Others offer the potential to pay attractive periodic coupons, dependent on the underlier's performance; structured investments are available in two distinct forms: market-linked certificates of deposit (MLCDs) and market-linked notes (MLNs).

Common Investment Objectives of Structured Investments

Risk-Managed Growth: Investors often want to see growth in their portfolio, but many wish to reduce their risk in achieving that growth. Structured investments provide a wide array of methods to participate in the performance of the underlier, often dependent on the amount of protection being offered.

Enhanced Income: For investors seeking enhanced income from their portfolio, structured investments can offer attractive coupon payments based on the performance of the underlier. The level of potential income depends on the underlier, and level of protection provided by the terms of the investment.

Capital Preservation: MLCDs are designed to participate in some portion of the potential growth of the underlier. When held to maturity, MLCDs offer protection against possible declines in the underlier, and are insured by the FDIC. By investing in a MLCD, an investor forgoes the fixed payment of a traditional CD in exchange for the potential to earn a higher return based on the performance of the underlier. Certain MLNs may also offer capital preservation, subject to the credit risk of the issuer.

Risks

All investments possess risks that should be considered prior to investing. While each individual structured investment possesses unique risks, general considerations include:

Creditworthiness of the Issuer: While MLCDs are fully principal-protected (when held to maturity) and FDIC insured, MLNs are backed by the creditworthiness of the issuing firm. Similar to traditional bonds, if an issuer were to become insolvent, you are unlikely to receive all of your investment as detailed by the investment's terms. Understanding the credit risk associated with any structured investment is important.

Liquidity and Statement Value: Structured investments are designed to be held to maturity. While a guaranteed secondary market does not exist for structured investments, issuing firms will often offer to buy back investments prior to maturity, typically at a discount. This discounted value is reflected in your account during the term of the investment and represents the amount you could expect to receive if you chose to sell prior to maturity.

Fees: Structured investments typically involve greater fees than investing directly in the underlier. These fees are typically stated on the front page of the investment's offering documents and should be considered when assessing the merits of any investment.

Performance: Even with protection features, an MLN investor can suffer a loss based on the terms and performance of the underlier. Understanding trade-offs and scenarios where the structured investment outperforms or underperforms the underlier is important when setting performance expectations. For instance, dividend payments on underliers are typically not captured by structured investments.

Complexity: Structured investments are often less familiar than traditional investments. Therefore, before deciding whether structured investments are right for you, review the terms and conditions outlined in the investment's offering documents and consult your financial professional.

Costs and Fees Paid by Clients
You will typically pay a commission/sales charge when you buy a structured investment within a brokerage account; no commission is paid on the sale of a structured investment.

Structuring Fee (*i.e.*, costs for creation and maintenance of the product): A portion of the purchase price incurred on the purchase of a structured investment; no structuring fee is paid on the sale of a structured investment.

Compensation
Financial professionals and CSM receive a portion of the commissions on purchases and sales. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs, and Fees.*

Product Limitations
Market linked products available to CSM clients are limited to an approved list that has been reviewed by the firm's product committee. The product committee generally only approved FDIC insured products due to the risks and complexity mentioned above. CSM also imposes certain limitations on the allowed amount of purchases based on client's financial information.

ANNUITIES AND INSURANCE PRODUCTS
Product Description
An annuity is a complex financial product that offers an income stream. Annuities offer tax-deferred capital accumulation coupled with various insurance options.

Common Types of Annuities Offered at CSM:
Immediate Annuity: Purchased with a single payment and distributes a specified income stream that usually begins immediately.

Fixed Annuity: Provides a fixed rate of return for a specified period of time and generally designed to provide guaranteed, level payments for a specified period of the annuitant's lifetime, on a tax- advantaged basis.

Fixed Index Annuity: This is a type of fixed annuity with its rate of return tied to a well-known index such as the S&P 500. Returns are typically capped by either a fixed amount or a specific percentage determined by the insurance company. These caps and percentages can change at the end of each term.

Variable Annuity: Combines the characteristics of mutual funds, the insurance features of annuity products, and the benefits of tax deferral with low investment amounts in comparison to other products. A variable annuity may be invested in a variety of professionally managed investment sub-accounts similar to mutual funds. Insurance features, such as a minimum death benefit or sing

Features and Characteristics
Varies based on insurance product. Please see above descriptions and the relevant insurance contracts for additional information.

Risks
- Insurance and annuities products are not deposits or obligations of any bank or depository institution, are not guaranteed by us, are not insured by the FDIC or any other government agency and are subject to investment risks including possible loss in value.
- Like most investment products, variable annuity contracts fluctuate in value and are subject to market risk, including the potential for loss due to market declines.

Costs and Fees Paid by Clients

- Costs and fees vary between insurance products. It is imperative that you review the relevant insurance contract for a detailed description of charges you will incur.
- Riders are insurance provisions that provide benefits or modify the terms of the insurance policy. Examples include living benefit and enhanced death benefit riders for certain annuity products. These benefits have additional costs, as described in the applicable rider.

Ongoing Costs

Annual fee charged by the insurance company.

Contingent Deferred Sales Charges

Sometimes called a "surrender charge" or "surrender fee." Depending on the product, and as more fully described in the applicable insurance or annuity contract, you may pay a contingent deferred sales charge if you cancel during the surrender charge period.

Compensation

Sometimes called a "surrender charge" or "surrender fee." Depending on the product, and as more fully described in the applicable insurance or annuity contract, you may pay a contingent deferred sales charge if you cancel during the surrender charge period.

- Total compensation for annuity contracts) are based on the contract value, which have an average seven-year contract lifecycle.
- Total compensation may be higher if the contract is held beyond that period.
- Financial professionals and CSM receive a portion of the commissions and trails.
- Actual commissions received vary by insurance company, the type of product, the commission structure selected, and, in some cases, the amount of the investment. "Trails" are paid to us to cover annuity contract servicing expenses and are derived from the ongoing costs you pay to the insurance company.

Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and Fees*.

Product Limitations

Annuities available to CSM clients are limited to an approved list that has been reviewed by the firm's annuity principal based on a due diligence review. CSM also imposes certain limitations on the allowed amount of purchases based age, total amount invested in annuities and the amount of liquid net worth available to meet current and emergency needs of the client.

Other Potential Conflicts of Interest

We are affiliated with an independent marketing organization ("IMO") for several insurance companies that issue products such as immediate, fixed, and indexed annuities. This IMP may interact not only with financial professionals, but also advisors at other broker- dealers or insurance agencies and insurance carriers. You should expect that, in cases where this affiliated IMO has facilitated a sale of an annuity, we will receive compensation based on the amount invested as a fee for wholesaling and marketing services.

Additional Information

Before investing in any variable annuity, we encourage you to read the relevant prospectus, which is available from the insurance company and your financial professional. For all other insurance products, we encourage you to review the insurance contract. Withdrawals of taxable amounts are subject to income tax and, if made prior to age 59½, may be subject to a 10% federal tax penalty.

Annual fees for annuity contracts are often higher than those associated with mutual funds that have similar objectives. That is because the company must pay for the higher commissions and insurance benefits associated with annuities. Therefore, you should compare the cost structures of both annuities and mutual funds in conjunction with your individual tax considerations before investing. If you select a variable annuity, it is a good idea to select one with a variety of investment options in order to avoid incurring a surrender charge if you change your investment objectives over time.

Always check with Accounting and Tax professionals regarding Tax rules and regulations regarding Qualified Retirement Income. Investing funds into an annuity that are already invested in a Qualified Retirement plan does not provide any additional deferral of taxation than that which already applies to qualified retirement plans.

OPTIONS

Product Description

An option is a contract that provides you with either a right or an obligation related to an underlying security, such as a stock, index, or exchange-traded fund. There are two types of options, calls and puts, and you can buy or sell either one. Options have a strike price, also referred to as the exercise price (the price at which you exercise the option), and an expiration date.

A call option gives the holder the right to buy a security at the strike price prior to the expiration date, while a put option gives the holder the right to sell a security at the strike price prior to the expiration date. Buyers of calls believe that the market value of the security will increase substantially before the option expires, and want the right to buy the security at the lower strike price if that happens. Conversely, buyers of puts believe that the market value of the security will decrease substantially before the option expires and want the right to sell the security at a higher strike price if that happens. Buyers of calls/puts hope to profit by exercising the option at a strike price that is lower/higher than the market value of the security (*i.e.* when the option is "in the money"). Instead of exercising the option, the holder of the option can also sell it to "close out the contract" and receive the difference between the strike price and the market price.

Clients can also sell calls and puts. For example, a seller of puts believes that the market value of the security will not fall before the option expires. Conversely, sellers of calls believe that the market value of the security will not rise before the option expires. Sellers of puts and calls hope to maximize their profit by generating income from the premium paid to them by the buyers and having the options expire unexercised (*i.e.* "out of the money").

Prior to transacting in options, clients must receive a copy of an options disclosure document titled "Characteristics and Risks of Standardized Options," which can be obtained from your financial professional or at theocc.com, and must complete and sign an Options Application and Agreement.

<u>Features and Characteristics</u>
- Tool for hedging and speculation.
- Income generation—receive premiums by selling options.
- Risk mitigation—reduce exposure to downside price risk for a currently owned security.
- Targeted selling—seek sale prices by the selection of an option strike price for a currently owned security.
- Stock acquisition—target specific acquisition prices via the option strike price to purchase a security.
-

<u>Risks</u>
- Complex and require a high level of attention to the trading markets.
- Speculative product that may lead to unlimited losses.
- May lose the entire amount committed to options in a relatively short period of time.
- Income generated from covered calls (a call option sold on a security owned), does not provide protection from significant downward price movement.
- A covered call writer (the person who owns the security and sold the call option on said security) gives up any appreciation above the strike price.
- The sale of shares due to assignment may result in a taxable gain for the option writer.
- Margin is required for certain option strategies.
- Short term trading may lead to higher tax obligations.

<u>Costs and Fees Paid by Clients</u>

Commission: You will typically pay a commission/sales charge when you buy or sell an option within a brokerage account. Sales charges can be discounted at the discretion of your financial professional. If applicable, sales charges will be disclosed as commissions on your transaction confirmation. If you plan to frequently trade options, you should discuss with your financial professional the benefits of doing so in a wrap fee-based advisory account. The commission charge for a single purchase of multiple contracts cannot be more than the commission that would have been charged if the trade had been calculated as a number of separate single purchases of individual contracts. A transaction charge may be assessed on certain accounts that do not charge a standard commission. If applicable, this fee will be disclosed as "Misc." on the transaction confirmation you receive.

Pricing Factors: If you are purchasing an option, its price is determined by many factors including:
- the remaining life of the option,
- the volatility of the underlying security,
- the relationship between the strike price of the option and the market price of the underlying security, and
- the underlying company's dividend payment record.

<u>Compensation</u>
Financial professionals and CSM receive a portion of the commissions on purchases and sales. Additional costs and fees may be paid to us as described in *Section III— Compensation, Costs and*

<u>Additional Information</u>
Due to the speculative nature of options, we must pre-approve your specific trading strategy. You should have sufficient knowledge and experience to evaluate the risks associated with option trading. Certain accounts will be limited to income and hedging strategies, and will not be allowed to engage in more speculative trading strategies (*e.g.*, IRAs, accounts subject to ERISA, and UTMA accounts).

SECURITIES-RELATED LENDING
MARGIN

Service Description

If your account is approved for margin, you will be allowed to borrow funds using the securities in your account as collateral. When you buy securities on margin, you deposit a portion of the purchase price, and through our custodians, Raymond James and Interactive Brokers, they extend you credit for the remainder, resulting in a debit balance on your account (which will be reflected on your account statement). You are charged interest on your debit balance and are required to maintain securities, cash, or other property to secure repayment of funds borrowed. Before trading in a margin account, you should carefully review the margin sections in the client agreement. Additional information is available from Raymond James, which offers and maintains the margin capabilities for retail clients: www.raymondjames.com/margin.

Additional information on the fees and interest of a margin account is available from Interactive Brokers, which offers and maintains the margin capabilities some high-net-worth institutional investors: www.ibkr.com/interest.com and www.ibkr.com/margin.

Features and Characteristics

- Margin interest may be tax deductible. Please consult your tax advisor for more details.
- You may use margin for various purposes, including investments in securities, margin trading strategies, and withdrawal of funds for certain personal expenses.
- Interest is charged based on the amount borrowed, as further described below.

Risks

- You can lose more funds than you deposit in the margin account.
- CSM and/or our custodians, Raymond James and Interactive Brokers, can force the sale of securities in your account.
- CSM and/or our custodians, Raymond James and Interactive Brokers, can sell your securities without contacting you.
- You are not entitled to choose which securities in your margin account are sold to meet a margin call.
- CSM and/or our custodians, Raymond James and Interactive Brokers, can increase our “house” maintenance margin requirements at any time and are not required to provide you with advance written notice.
- You are not entitled to an extension of time on a margin call.

Costs and Fees Paid by Clients for Margin Accounts Held at Interactive Brokers

Additional information on the fees and interest of a margin account is available from Interactive Brokers, which offers and maintains the margin capabilities some high-net-worth institutional investors: www.ibkr.com/interest.com and www.ibkr.com/margin.

Costs and Fees Paid by Clients for Margin Accounts Held at Raymond James

- You may be charged interest on any debit balances in cash accounts, or credit extended in margin accounts, at up to 2.75 percentage points above the Raymond James Base Lending Rate.
- The Base Lending Rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. Raymond James can change the Base Lending Rate without prior notice. When the Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you changes for any other reason, you will be notified at least 30 days in advance.
- Margin interest will post to your account on the last business day of the month. The interest period begins on the prior month’s posting date and ends the day before the last business day of the month.
- When funds are paid in advance of settlement on the sale of securities, you will be charged interest on the amount paid from date of payment until settlement date. If any other charges are made to your account for any reason, you may charged interest on the resulting debit balances.

Ongoing Expenses

You may incur charges and interest for maintenance of margin and short positions. Margin rates are negotiable, depending on a variety of factors, including the size of your account, your financial professional’s policy with respect to discounts, and your relationship with your financial professional.

Compensation

Raymond James charge interest on margin balances and CSM receives a portion of this interest payment. Raymond James also receives compensation by lending securities at market rates. CSM receives a portion of this compensation which creates a conflict of interest.

Truth in Lending Statement
Your interest rate will vary with the size of your average debit balance according to the following schedule:

Loan Amount	Interest Rate
$10 million and above	Base rate* less 1.25%
$5,000,000-$9,999,999.99	Base rate* less 1.00%
$1,000,000-$4,999,999.99	Base rate* less 0.75%
$500,000-$999,999.99	Base rate* less 0.50%
$250,000-$499,999.99	Base rate* plus 0.25%
$100,000-$249,999.99	Base rate* plus 0.75%
Under $100,000.00	Base rate* plus 1.50%

*The Base Rate is an internal Raymond James rate. Current rates can be viewed online at www.raymondjames.com/lendingrates or can be obtained from your financial professional.

Other Potential Conflicts of Interest
More sophisticated investment strategies such as short sales and margin may be offered in certain advisory account programs (*i.e.*, the Ambassador program). Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your financial professional benefits from the use of margin creating a higher absolute market value and therefore receive a higher fee.

Additional Information
Before trading stocks in a margin account, you should carefully review the Margin Agreement and the *Statement of Credit Disclosure* below in *Section V—Other Important Information.*

We believe that the use of margin generally adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money—you can lose more funds than you deposit in the margin account. In addition, you generally will not benefit from using margin unless the performance of your account exceeds interest expenses on the margin loan. You should also understand that the use of margin can negatively impact your ability to rebalance your account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your account.

Although not required, even if notice is provided with a specific date by which you must meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling your securities without further notice.

Our custodians, may lend the securities held in your account to others if you maintain a margin debit in the account. This will result in changes in the tax treatment of dividends paid on the loaned securities and/or loss of your voting rights for those securities.

For accounts custodied at Raymond James, if you have a Capital Access account approved for margin, your margin account allows you to initiate loans by simply writing checks or using your Capital Access Visa® Platinum debit card. This means your personal line of credit provides overdraft protection for your Capital Access check and debit card usage. If the amount of your check or debit card purchase exceeds the cash in your account, your margin account is employed. Margin is only accessed when the cash in your account is exhausted, and interest is only charged on the balance of funds extended to you.

SECURITIES BASED LENDING (SBL) BY RAYMOND JAMES BANK
(Please note our custodian, Interactive Brokers, does not offer *securities-based* lending)

Service Description
Our custodian, Raymond James and their affiliate, Raymond James Bank., offers a securities based lending ("SBL") service whereby securities may be used as collateral for a loan; however, pricing, features and characteristics differ from margin loans. Generally, SBL may let you borrow against a higher percentage of your assets than margin; however, SBL is not suitable for all clients, may involve a high degree of risk, and market conditions could magnify any potential for loss. The proceeds from an SBL loan cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account; (c) used to purchase any product issued or brokered through one of our affiliates, including insurance products we offer; or (d) otherwise used for the benefit of, or transferred to, one of our affiliates.

If you were to enter into an SBL with Raymond James Bank, then you would pledge securities in one or more of your accounts with us as collateral for the loan. Raymond James Bank, may on demand require you to repay part or all of any outstanding advance, post additional eligible collateral, and sell or force the sale of the pledged securities without notice. Any required liquidations could interrupt your investment strategies and could result in adverse tax consequences and adverse impacts on your long-term investment goals. Pledging the securities in one or more of your accounts with us would also limit your authority to give certain orders or instructions regarding those accounts or securities, such as an instruction to make free delivery to you or a third party of any of the pledged securities; and Raymond James Bank, would have authority to take exclusive control of those accounts and securities.

You should expect that Raymond James Bank, will compensate us, and we will compensate your financial professional, in connection with the origination of an SBL loan based upon the amount of the loan or the outstanding balance at any time under the loan. The rate of compensation to your financial professional may differ from that of a margin loan. This compensation is a conflict of interest because CSM and your financial professional have a financial incentive for you to select Raymond James Bank over other banks.

Because SBL is offered and provided by Raymond James Bank, rather than us, it is important that you thoroughly review the disclosure documents that Raymond James Bank, can provide to you before evaluating whether SBL from Raymond James Bank, is right for you. Additional information regarding SBL is available at www.raymondjamesbank.com/securities-based-lending.

FULLY-PAID SECURITIES LENDING BY RAYMOND JAMES AND INTERACTIVE BROKERS

Services Overview
With fully-paid securities lending, our custodians, Raymond James and Interactive Brokers, borrows securities from you, which they may use for any purpose permitted under Regulation T, including to cover a short sale or fail-to-deliver, to satisfy client possession and control requirements, or to further lend your loaned securities to other broker-dealers. Raymond James will pay you a fee for the use of your shares based on the fee schedule contained in the Fully-Paid Lending Master Securities Agreement. In exchange for the loan of securities, Raymond James will provide you with either cash or non-cash collateral, as permissible under applicable regulations. Your account will still show that you own the security position that you have loaned to Raymond James.

Features and Characteristics
Allows you to generate additional income on an existing long position in your account.

Risks
- Loaned securities are not covered by Securities Investor Protection Corporation ("SIPC") insurance (see *Account Protection* in *Section V— Other Important Information*) and the collateral Raymond James or Interactive Brokers deposits may constitute the only source of satisfaction of our obligations in the event we fail to return the loaned securities.
- Not an investment strategy.
- Fees generated by lending shares may not be sufficient to offset losses incurred because the position was not sold in accordance with your investment strategy.
- Loss of voting rights with respect to loaned securities.
- Lending securities to facilitate short selling could put downward pressure on the overall price of the security. Each loan transaction is not a hedge against price decline and offers no downside price protection to client's loaned securities.
- Potential tax implications, see *Additional Information* section below.
- Securities lending takes place in an over-the-counter, negotiated rate market that generally lacks transparency with respect to transactions and prices. Given the nature of this market, we cannot guarantee that you will receive the most favorable rate for lending your loaned securities.

Costs and Fees Paid by Clients
None.

Compensation
Raymond James and Interactive Brokers receive a portion of the total return generated on the transaction, as determined in a separate written agreement between you and Raymond James or Interactive Brokers, and you should expect that Raymond James and Interactive Brokers will share a portion of this compensation with CSM and your financial professional. Raymond James and Interactive Brokers will also receive compensation in connection with the use of your loaned securities, including lending your loaned securities to other parties for use with settling short sales, or for facilitating settlement of short sales by Raymond James or Interactive Brokers, their affiliates, and their clients.

Other Potential Conflicts of Interest
Raymond James and Interactive Brokers may have an opportunity to earn more compensation when the loaned securities are limited in supply relative to demand. The client does not share in the increased compensation in this scenario.

Additional Information
Please review the Fully-Paid Lending Master Securities Agreement and the Fully Paid Lending Risk Disclosure (available from

your financial professional) thoroughly prior to utilizing this service. You have the right to terminate a loan transaction or the entire agreement at any time and without prior notice in accordance with the Fully-Paid Lending Master Securities Agreement. You may sell some or all of any loaned security at any time and without giving prior notice. You are not required to recall shares or wait for recalled shares to settle in your account prior to selling.

Loaned securities on which dividends are paid will receive payments in lieu of the actual dividend. These payments in lieu of dividends are currently taxed at the ordinary income rate. This rate may differ from tax rates on actual dividends and may provide less income based on current tax law. We may be required to withhold tax on payments in lieu of dividends and loan fees to you, unless an exception applies. You should consult a tax advisor regarding the tax implications of lending your securities to us, including but not limited to: treatment of payments in lieu of dividends under U.S. and state tax laws and the Internal Revenue Code, as well as any foreign tax regulations, as applicable; under what circumstances a loan of securities could be treated as a taxable disposition of the loaned securities; and treatment of interest received on collateral.

CASH MANAGEMENT

CAPITAL ACCESS (FOR ACCOUNTS HELD AT RAYMOND JAMES)

Service Description
The Capital Access account, offered by our custodian Raymond James, integrates a conventional securities account with a cash management account, which provides a Visa® Platinum debit card and check writing services. As part of that account, cash balances awaiting investment may earn interest daily in one or both of the following options: Raymond James Bank Deposit Program (including the Raymond James Bank Only option) or the Client Interest Program (CIP). Additional terms and conditions related to Capital Access accounts is contained in your account opening documentation and online at: www.raymondjames.com/capitalaccess.

Features and Characteristics
Each of the following services are provided to most Capital Access accounts:
- Visa® debit card.
- Unlimited check-writing.
- Online access to account activity in Client Access, Raymond James online account application.
- Online bill payment through Client Access
- ATM reimbursements (up to $200 per year or unlimited for relationships above $500,000).
- Check and deposit coding.
- Optional cash back at point of sale.
- Electronic payments and direct deposits.
- 24-hour client service line.
- No minimum balance to open or maintain an account.

Note that certain services may have additional limitations or requirements (for example, debit cards are not generally issued for clients residing outside of the United States, and if a debit card is issued, an annual fee may apply).

Costs and Fees Paid by Clients
To view an up-to-date listing of our current fees (referred to as our "fee schedule"), visit www.capitolsecurities.com/client-account-fees-and-charges.

Compensation
Financial professionals do not receive compensation related to Capital Access.

Additional Information
Margin is required—see the above section on *Margin*.

CASH SWEEP PROGRAM (FOR ACCOUNTS HELD AT RAYMOND JAMES)

Introduction
The cash sweep program is a service that allows clients to earn interest on cash awaiting investment ("Cash Sweep Program"). CSM, through its custodian, Raymond James & Associates, Inc. ("RJA"), offers a deposit sweep called the Raymond James Bank Deposit Program ("RJBDP", which includes a version with Raymond James Bank ("RJ Bank"), as the only bank option [discussed below as "RJBDP-RJ Bank Only"]). In addition, RJA offers a cash feature called the Client Interest Program ("CIP") under which, if you select that feature in an eligible account, RJA will pay you the same interest rate, as you would receive if you selected RJBDP. Because CIP is an option for some accounts to earn interest on cash awaiting investment, we are including CIP in the Cash Sweep Program. We refer to both RJBDP (including the variations described below) and CIP as "sweep options" throughout this document and our agreements with you.

Your account type determines which of the sweep options are available. Not all sweep options are available for each account type, and some account types have only one sweep option available. The sweep option(s) available for your type(s) of account at the time that you first open an account are set forth in the client agreements that you review and sign at the time of account opening. RJA may amend the Cash Sweep Program to change the sweep options available for any type of account, and in that case, RJA may change the sweep option in one or more of your existing accounts. Your financial professional can provide you with additional information about Cash Sweep Program eligibility. If you are purchasing securities, the amount of the purchase will be withdrawn from your sweep option on the settlement date, thereby eliminating the need to deliver funds to us. If you are selling securities, the proceeds are deposited in your sweep option by the day following settlement date, enabling you to begin earning interest on those funds until they are reinvested.

With respect to cash reserves of client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation ("FDIC") and Securities Investor Protection Corporation ("SIPC")). The custodian may change, modify or amend an investment option at any time by providing the client with thirty days advance written notice of such change, modification or amendment.

Overview of CIP
CIP is a short-term alternative for cash awaiting investment, in which RJA holds that cash in your account and pays you interest. Cash in CIP is an obligation solely of RJA whereas the funds on deposit through RJBDP and RJBDP-RJ Bank Only are obligations solely of the banks.

Overview of RJBDP
Through RJBDP, which is offered by RJA, uninvested cash in your Raymond James account is automatically deposited, or "swept," into interest-bearing deposit accounts at banks whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per insurable capacity per bank, subject to applicable limitations..

Important disclosure about FDIC insurance coverage: All references to FDIC insurance coverage under RJBDP address FDIC insurance coverage, up to applicable limits, at the insured depository institutions that participate in RJBDP. The current list of participating insured depository institutions is shown at www.raymondjames.com/wealthmanagement/advice-products-and-services/banking-andlending-services/cash-management/cash-sweeps/raymondjames-bank-deposit-program/participating-banks.

The Raymond James Bank Deposit Program relies on the services of IntraFi Network, LLC for the placement of deposits at insured depository institutions. Two affiliates of Raymond James, RJ Bank and TriState Capital Bank, participate in RJBDP.

For each of your securities accounts enrolled in RJBDP, RJA will deposit up to $245,000 ($490,000 for joint accounts of two or more) in each bank on a predetermined list of banks (the "Bank Priority List," discussed below in the section titled "Overview of RJBDP; Bank Priority List"). RJA will deposit up to that same amount (up to $245,000, or up to $490,000 for each joint account of two or more) in each bank, in the same order, from each of your securities accounts enrolled in RJBDP; RJA does not aggregate deposits from more than one securities account in applying those deposit limits. For more information about this, see sections below titled "Client's Obligation to Monitor" and "Operation of RJBDP; Bank Priority List." Once $3 million ($6 million for joint accounts of two or more) in total has been deposited at the banks, or once the banks on your Bank Priority List decline to accept further cash, then depending upon the excess funds option you have selected, your excess funds will either remain at RJA in CIP or be directed to a designated "Excess Banks," as described below. If you wish to change your excess funds option selection, please consult with your financial professional.

If a bank on your Bank Priority List declines to accept any funds (or any further funds) under RJBDP, then even if that bank is on your Bank Priority List, you should expect that your cash will not sweep to that bank. You may see which banks hold your cash, and in what amounts, on your periodic account statements, in Client Access, or by contacting your financial professional for that information.

In the event most or all of the banks on your Bank Priority List decline to accept any funds (or any further funds) under RJBDP, then it may be the case that little or none of your funds will sweep to banks on your Bank Priority List. The effect upon you may vary depending upon how much funds you have in your account and what excess funds option you have selected for your account. In general, however, the refusal of most or all banks on your Bank Priority List to accept any funds (or any further funds) could result in a significant limitation of the FDIC insurance that may be available to you through RJBDP. If you have more funds than are accepted by banks on your Bank Priority List, and the excess option you have selected is:

- Excess Banks, then your excess funds will sweep to an Excess Bank on your list. If the amount of your excess funds that sweeps to an Excess Bank is greater than applicable FDIC limits, then those funds will not be subject to either FDIC insurance or SIPC and excess SIPC coverage. If no Excess Bank on your list is accepting excess funds, then your excess funds will not sweep and instead will be held at RJA; in that case, those funds will be subject to SIPC and excess SIPC coverage within applicable limits, and RJA may, if permissible by law and if in compliance with eligibility criteria for CIP as established by RJA, treat those unswept funds as part of CIP, and pay you interest on those funds, subject to all terms and conditions applicable to CIP.

- CIP, then those funds will be held at RJA in CIP, subject to all terms and conditions applicable to CIP, including the payment of interest and SIPC and excess SIPC coverage within applicable limits.

Thus, the overall amount of potential FDIC insurance protection for which you may be eligible as a result of enrollment in the RJBDP will vary depending upon the number of banks that are accepting RJBDP cash at any point in time, as well as the excess funds option that you choose.

As a result of RJBDP banks limiting or declining to accept funds, some or all funds of clients who have elected RJBDP may not sweep and instead may remain at RJA (such unswept funds referred to as "Capacity-Limited Unswept Funds"). If, subsequently, additional capacity to sweep funds to banks in RJBDP becomes available but in an amount less than necessary to permit all Capacity-Limited Unswept Funds to sweep to a bank in RJBDP, then RJA may in its sole discretion allocate newly available capacity among clients that have Capacity-Limited Unswept Funds.

Overview of RJBDP-RJ Bank Only
If your account is enrolled in the RJBDP-RJ Bank Only option, then uninvested cash in your Raymond James account is swept into deposit accounts at RJ Bank, whose deposits, up to applicable limits, are eligible for FDIC insurance. Funds are deposited without limit and without regard to the FDIC insurance limit. Even if RJ Bank continues to accept funds in RJBDP-RJ Bank Only, RJ Bank retains the discretion to decline to accept funds under the general RJBDP program, whether RJ Bank is designated as one of the banks on a Bank Priority List or is designated as an Excess Bank.

Exceptions
Raymond James may, in its sole discretion, grant exceptions to any of the terms or conditions of the Cash Sweep Program or any sweep option. Such exceptions may include, but are not limited to, terms or conditions related to: (1) any eligibility requirement for a sweep option; and (2) revising the fees RJA receives from participating banks in RJBDP, or revising the rate RJA sets on CIP, such that a particular client receives a higher or lower interest rate on swept cash than what is established through the general rate-determination processes.

Client's Obligation to Monitor
In determining which sweep option to select, if more than one is available, you should consider the features and benefits of each of the available sweep options, including the applicable interest rates as well as the other information disclosed below in this document regarding how each feature works and the revenue and other benefits that Raymond James and its affiliates receive from these sweep options. Any cash coming into your Raymond James account – whether from a deposit by you, a dividend or interest payment, proceeds from the sale of a security, or otherwise – will be held in your selected sweep option until you (or the discretionary manager, if your account is managed) make a decision to use the cash for investment or other purpose. It is important that you monitor the amount of funds in your sweep option, and consider other options you may have for investment of those funds. Your financial professional can discuss with you options other than or in addition to the Cash Sweep Program for your assets.

If you have elected RJBDP, then for each RJBDP bank into which RJA deposits your cash, it is also important that you monitor the total amount of deposits at that bank in each insurable capacity. Any/all deposits that you maintain in the same insurable capacity with a bank, including:
• RJBDP deposits from each/every securities account in that same insurable capacity – RJA will deposit up to
$245,000 ($490,000 for each joint account of two or more) from each such securities account, see "Overview of RJBDP" above and "Operation of RJBDP; Bank Priority List" below;
• Deposits (including certificates of deposit) with that bank held through an intermediary such as Raymond
James or another broker-dealer); and
• Deposits (including certificates of deposit) held directly with that bank, will be aggregated for purposes of the

FDIC insurance limit, with any excess over the FDIC insurance limit at each bank being held as uninsured deposits. You are responsible for monitoring the total amount of deposits that you hold with any one bank (from RJBDP or otherwise) in order for you to determine the extent of deposit insurance coverage available to you on your deposits, and if any amount deposited at a bank may be uninsured, you should speak with your financial advisor about opportunities to reduce such uninsured deposits by designating one or more RJBDP banks as ineligible to receive deposits (see section below titled "Operation of RJBDP; Bank Priority List" for information about designating banks as ineligible).

Interest Rates and Interest Rate Tiers
Interest rate tiers applicable across all sweep options. Your interest rate is based on the relationship you have with Raymond James, as well as the interest rate tier ("Interest Rate Tier") for which your accounts are eligible. Eligibility for an Interest Rate Tier is based on the total of (1) the cash balance in RJBDP and (2) the cash balance in CIP (collectively, "Relationship Cash Value").

Your Interest Rate Tier eligibility will be reviewed and adjusted weekly, as necessary (normally after market close on the last business day of the week that the New York Stock Exchange is open ("Aggregation Day") and is based on your Relationship Cash Value at that time.

The Interest Rate Tiers are:

1. $0 to $24,999
2. $25,000 to $99,999
3. $100,000 to $249,999
4. $250,000 to $499,999
5. $500,000 to $999,999
6. $1,000,000 to $2,499,999
7. $2,500,000 to $4,999,999
8. $5,000,000 to $9,999,999
9. $10,000,000 to $24,999,999
10. $25,000,000 or above

Additional Interest Rate Tiers may be available for Relationship Cash Values exceeding those listed above. Please consult your financial advisor for more information. Raymond James may from time to time and in its sole discretion make special Interest Tier Rate offers ("Special Sweep Offers") to all clients, or to a specified group of clients, with eligibility criteria that materially differ from Relationship Cash Value. Such Special Sweep Offers may provide eligible clients with a higher interest rate than is available to clients earning interest based on their Relationship Cash Value. A Special Sweep Offer, and the terms and conditions applicable to the Special Sweep Offer, will be posted on our website at www.raymondjames.com/rjbdp.

Interest rate tiers and account type.

Cash balances in non-retirement accounts and in accounts that are subject to Section 4975 of the Internal Revenue Code but not subject to ERISA (*e.g.*, IRAs), opened during the week will be assigned the greater of: (1) the Interest Rate Tier applicable for such account only taking into consideration the cash balance in such account, or (2) the Interest Rate Tier based on your Relationship Cash Value, excluding the cash balance in the new account. On the Aggregation Day following the opening of such accounts, any available cash balance will be added to your Relationship Cash Value and all Deposit Accounts will fall under the same Interest Rate Tier, based on the total Relationship Cash Value. Cash balances held in accounts that are subject to ERISA will be assigned the Interest Rate Tier applicable for such account, only taking into consideration the cash balance in that account.

Interest rate to be received by clients.

Accounts enrolled in RJBDP, RJBDP-RJ Bank Only, and CIP each utilize the same Interest Rate Tiers and pay the same rate of interest on the cash balances within each Interest Rate Tier. The process by which the interest rate is determined is described below in the separate sections on each sweep option. Clients whose accounts are introduced to RJA by an unaffiliated introducing broker-dealer or investment adviser ("Introduced Clients") will utilize the same Interest Rate Tiers as clients whose accounts are not introduced in that way; but you should expect that the accounts of Introduced Clients will receive a rate of interest on cash balances within each Interest Rate Tier that is different than, and in most cases will be lower than, the interest rate received by clients whose accounts are not introduced in that way.

Interest rates may change at any time without notice. Interest rates will be available on the business day (i.e., Monday through Friday if the New York Stock Exchange is open) the rates are set. Interest Rate Tiers and applicable rates are posted online at raymondjames.com/rates.htm. Rates are also available through Client Access or by contacting your independent firm. Interest will accrue on cash balances from the day funds are swept out of your Raymond James account through the business day preceding the date when funds are swept back into your Raymond James account. Interest will be compounded daily and credited monthly. Neither RJA nor any participating banks are required to offer the highest rates available. Interest rates paid on your cash balances may equal, exceed, or be lower than the prevailing market rates. The interest rates paid may be higher or lower than the interest rates available to depositors making deposits directly with a bank or other depository institution in a comparable account.

You should compare the terms, interest rates, required minimum amounts, and other features of the Cash Sweep Program with other accounts and alternative investments, and discuss your options with your financial professional Interest rates will vary based upon prevailing economic and business conditions. In periods of low interest rates, the interest rate to be received by clients enrolled in RJBDP, RJBDP-RJ Bank Only and CIP could be as low as zero; further, in the event of a negative interest rate environment, Raymond James, in its sole discretion, may charge your account (including IRA accounts and accounts subject to ERISA) a fee on all funds that you maintain in your account, whether such funds are deposited through RJBDP, held in CIP, or held in any other way.

Charges or costs to clients selecting a sweep option.

The Cash Sweep Program is offered at no additional charge or cost to clients.

Compensation and other benefits to Raymond James and its affiliates from client cash in the Cash Sweep Program.
Fees paid to RJA by the banks in RJBDP provide RJA a material source of revenue. This revenue is important to the ability of RJA to finance its business activities, and ultimately to the potential profitability of RJA. In addition to the fees received by RJA from the banks, cash balances provide a relatively low-cost source of funds to RJA through CIP and to RJ Bank through RJBDP, and help contribute to our profitability. This revenue and other benefits to RJA and its affiliates increase when more client funds are held in the Cash Sweep Program.

Compensation to CSM in the Cash Sweep Program.
You should expect that Raymond James will share a portion of the revenues it receives from one or more of the sweep options with CSM. The rate of any such revenue sharing may be increased depending upon the aggregate amount of client funds in the Cash Sweep Program by all clients of CSM. Even when Raymond James does not share a portion of the revenues it receives with CSM, the aggregate amount of cash in the Cash Sweep Program by all clients of CSM may be credited to CSM for purposes of determining the overall payout rate that CSM receives from Raymond James; thus, higher aggregate amounts of client funds in the Cash Sweep Program may cause CSM to receive higher compensation on transactions and activities unrelated to the Cash Sweep Program, even when no Cash Sweep Program revenue is shared with CSM. The interest rate that you receive on your cash in the Cash Sweep Program is not impacted by any revenue shared with, or credit received by, CSM. Your financial professional does not receive any additional compensation from these programs.

The revenue sharing payments received by CSM are paid to us from the earnings on your uninvested cash or assets within the sweep vehicle. Revenue sharing of this nature is a CONFLICT OF INTEREST because we are incentivized to encourage you to select the money market funds we have recommended when alternatives are available for a lower cost.
Operation of RJBDP
Bank Priority List
RJA establishes contracts with multiple banks, which are included in one or more Bank Priority Lists. The Bank Priority List of available banks into which your cash is deposited is based on your account's legal address of record. The current Bank Priority Lists are available at www.raymondjames.com/rjbdp or from your financial advisor. Banks appear on your applicable Bank Priority List in the order in which the deposit accounts will be opened for you by RJA and your cash will be deposited. You should review the Bank Priority List carefully and consult with your financial Professional about current rates and your options. Rate information is available at raymondjames.com/rates.htm.

For additional information on the Raymond James Cash Sweet program, please refer to Section IV-Investment Service- Cash Management- Cash Sweep Program in the Raymond James "Important Client Information" disclosure document found here: https://www.raymondjames.com/custodyclearingICI.

EXCESS CASH BALANCE INTEREST (FOR ACCOUNTS HELD AT INTERACTIVE BROKERS)
Interest is paid on client account balances in excess of $10,000. Client accounts may receive credit interest on long settled cash balances in their securities accounts. Accounts with a Net Asset Value (NAV) of USD 100,000 (or equivalent) or more are paid interest at the full rate for which they are eligible. Accounts with NAV of less than USD 100,000 (or equivalent) receive interest at rates proportional to the size of the account. For example, an account with a NAV of USD 50,000 earns credit interest at a rate equal to one-half the rate paid by IBKR to accounts with a NAV of USD 100,000 or more. Interest accrues daily. IBKR posts the interest payments on a monthly basis on the third business day of the following month. For additional information on the rates charged please visit: https://www.interactivebrokers.com/en/accounts/fees/pricing-interest-rates.php

OTHER SERVICES

TRADING AND EXECUTION SERVICES

Placing Trades
Best Available Price. Once your trade is placed, professionals at Raymond James and Interactive Brokers have been contracted by us to do their best to execute the transaction at the best available price. Smaller trades are generally executed via automated systems at the best available price.

Instructions and Confirmation Review. You can place a trade by contacting your financial professional or your financial professional's licensed sales associate. Please be specific and carefully explain your instructions. Ask to have your instructions read back to you for verification. Once you receive your trade confirmation (online the day following the trade or in hard copy within a few business days of the trade), read it carefully to ensure that your instructions have been carried out. If they have not, contact your financial professional immediately.

Trade Aggregation. *CSM, Raymond James, or Interactive Brokers* may combine your sale and purchase orders with similar brokerage orders being made simultaneously for other accounts if, in our reasonable judgment, such aggregation is likely to result in an overall economic benefit to you by evaluating the availability of relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other potential benefits. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In that case, the average price of all securities purchased or sold in such transactions may be determined, and you may receive the average transaction price.

"Average Price" Per Share. An "average price" per share is reported when multiple executions are required to complete your order. It is a calculated average of the prices of all individual executions. Details regarding the actual price of each execution are available upon request. Although multiple executions may be necessary, no additional fees or commissions are charged.

Extended-Hours Trading
In accordance with FINRA Rule 2265, we are providing the following regarding the risks associated with extended hours trading. For the purposes of this section, "regular trading hours" in equity securities generally means the time between 9:30a.m. Eastern Time and 4:00 p.m. Eastern Time, "regular trading days" generally means Monday through Friday, excluding New York Stock Exchange holidays, and "extended hours trading" means trading outside of regular trading hours on regular trading days.
You should carefully consider the following items prior to engaging in extended hours trading:

Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities; and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, an order may only be partially executed or not at all.

Risk of Higher Volatility. Volatility refers to the degree the market price of a security changes during trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, an order may only be partially executed, or not at all, or an order may receive an inferior price in extended hours trading compared to regular market hours.

Risk of Changing Prices. The prices of securities traded in extended hourstrading may not reflect the prices either at the end of regular market hours or upon the opening the next morning. As a result, an order may receive an inferior price in extended hours trading compared to regular market hours.

Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, an order may receive an inferior price in one extended hours trading system compared to another extended hours trading system.

Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading and, if combined with lower liquidity and higher volatility, may cause an exaggerated effect on the price of a security.

Risk of Wider Spreads. The spread refers to the difference between the price at which a security can be bought and the price for which it can be sold. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (IIV). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the opening and late trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

Trade Date and Settlement Date
The day on which your trade is executed is the "trade date," while the day on which you pay/are paid for a trade is the "settlement date." Securities regulations specify two business days from trade date to settlement date for most securities. This regulation – which the industry calls "T+2" – may not provide sufficient time for you to receive the confirmation of your transaction by regular mail and then pay for an executed buy order. You should either have funds on deposit with us or arrange for payment based on oral confirmation of the trade. Most clients keep cash balances on deposit with us to ensure timely settlement of trades.

Online Trading
Your financial professional can offer you the opportunity to engage in certain trading activities online through Raymond James Client Access. Before trading online, however, it is important to understand how securities transactions are executed, particularly during times of volatile prices and high volume, when there may be delays. For additional tips on how to protect your confidential information at Raymond James please visit www.raymondjames.com/privacy-security-and-account-protection/how-raymond-james-protects-your-privacy.For additional tips on how to protect your confidential information at

Interactive Brokers please visit https://www.interactivebrokers.com/en/accounts/legalDocuments/privacy.php

Long and Short Sales

Most sales of securities are "long" sales, where you are selling a security that you own. If the security is not in your account when you place the sale order, you must deliver it to us by the settlement date. A "short" sale is the sale of a security that you do not currently own. Delivery requirements for short sales are typically fulfilled by borrowing the security. With respect to both long and short sales, failure to timely deliver the security will generally require us to fulfill your delivery requirements by purchasing the securities sold at the current market price, in our sole discretion and without prior notice to you, which may result in significant losses to you, and for which you will be financially responsible.

Order Routing/Best Execution (for accounts held at Raymond James)

We do not permit our retail brokerage customers to direct orders to a specific trading venue. Instead, we rely on Raymond James to route orders to a favorable market center or designated broker-dealer intermediary where they believe that you will receive the best execution, based on a number of factors. Eligible order (i.e. orders from non-managed and non-discretionary accounts) will initially be directed to another broker-dealer to access a third-party Alternative Trading System ("ATS") where such orders will have an opportunity to trade with RJA's institutional or third-party institutional liquidity provider ("TPILP") order flow, if it exists, using strategies targeting at or better than the national best bid offer (often referred to as the NBBO) pricing.

If no match occurs within that ATS between eligible order and the institutional client or TPILP order flow, the eligible order will then be routed to other market centers for execution. Because we rely on Raymond James for this service, you may not always get the best price available on a specific transaction. Raymond James receives indirect compensations related to its order flow practices. Additional information about Raymond James' routing practices including indirect compensation they receive can be found at http://www.raymondjames.com/orderrouting.

Order Routing/Best Execution (for accounts held at Interactive Brokers)

Interactive Brokers does not sell its order flow to another broker to handle and route. Instead, IB has built a real-time, high-speed Best Execution Order Routing System ("IB SmartRouting"), which is designed to optimize execution price, speed and total cost of execution for stocks and options. IB constantly changes and enhances the SmartRouting system to adapt to changes in markets, new exchanges, new trading rules, etc. IB's SmartRouting system continually scans competing market centers and automatically seeks to route orders to the best market, taking into account factors such as quote size, quote price, exchange or Automated Trading Systems ("ATS") transaction fees or rebates and the availability of price improvement (execution at a better price than the National Best Bid or Offer ("NBBO"). The IB SmartRouting system continually reevaluates market conditions and prices for pending IB client orders and dynamically re-routes orders as necessary. For additional information please visit: https://www.interactivebrokers.com/en/trading/smart_routing.php.

The Pitfalls of Penny Stocks

As a general rule, we will not enter orders for purchases of stocks that are trading at less than $2 per share, unless that stock is traded on a major stock exchange. In almost all cases, adequate financial information is available on stocks that trade on an exchange, facilitating analysis of the security prior to purchase. Stocks that are trading under $2 per share and are not listed on an exchange generally are riskier, as the companies are smaller and do not necessarily have the same reporting requirements as listed stocks.

Understanding the Over-the-Counter Market

As most companies whose stocks trade over the counter are smaller, their market capitalizations are also smaller and their stocks are less liquid. This creates a larger spread between the stock's bid and ask prices. Furthermore, because market makers often only make 100-share markets before changing their bid and ask, it generally takes longer to get pricing reports. As a result, even a market order placed at market opening might take a long time to execute at a series of prices. This generally would not happen with the stock of a large company stock listed on an exchange.

Conflict of Interest

CSM permits financial professionals to invest for their own personal accounts in the same securities purchased for clients. This presents a conflict of interest because trading by a financial professional in a personal account in the same securities on or about the same time as trading by a client can disadvantage the client. CSM addresses this conflict through the use of surveillance alerts.

ADMINISTRATIVE SERVICES

Through our custodian, Raymond James, we have the ability to provide an array of administrative services to better support, manage, and serve your investment needs.

Crediting Checks to an Account and Cashing Checks

Holds- All checks deposited with Raymond James, except cashier's checks, traveler's checks, and money orders, are subject to a minimum two-day hold. All deposits processed through the ATM (automated teller machine) network are subject to a two-day minimum hold. Certain checks, based on size, account history, and other factors, may be held up to 10 business days. Credit card or line of credit checks are subject to a 20-business-day hold. With the exception of foreign checks, all checks begin to earn interest after two business days.

Foreign Checks- Foreign checks, including those from Canadian banks, are not accepted for payment of a trade and will not be credited to your account until we receive the funds. This may take up to six weeks. Please always make your checks payable to "Raymond James & Associates, Inc." and include your account number. Financial professionals are required to have clients make checks payable to our custodian Raymond James, not to themselves or to any other entity.

Uncashed Checks- If you do not cash checks that Raymond James sends to you within 120 days of issuance (90 days for standard check age plus a 30-day hold period), Raymond James will redeposit them to your account, unless the check is for a de minimis amount (currently $20 or less). If the check is for a de minimis amount, Raymond James will place the funds in payable account for potential escheatment. This policy remains in effect, and notification is hereby provided in accordance with interpretive guidance of Rule 17Ad-17 under the Securities Exchange Act of 1934, as amended.

Dividends and Interest Payments

Crediting to Client Account- Unless instructed otherwise, all dividend and interest payments are credited by our custodian, Raymond James, to client accounts on the declared payment date. However, you do have choices as to how to receive those payments. Your financial professional can help you select the best method for accessing your interest and dividends.

ACH to Bank- You may choose to receive dividend and interest payments by check or direct deposit to your bank account through the Automated Clearing House (ACH). To do so, ask your financial professional to set up an ACH Profile for you.

Processing/Mailing of Dividend Checks- While funds are immediately available when credited, our custodian, Raymond James, processes and mail checks each Friday if all dividend and interest payments credited to your account during the previous week total $100 or more. If they total less than $100, they will accumulate in your account until the $100 threshold is reached, at which time Raymond James will issue a check. If you receive dividend and interest payments by check, you will receive a breakdown of the payments included on each check.

Sweeps to Interest-Bearing Accounts- You may prefer to have payments automatically swept into an interest- bearing account, eliminating the need to cash checks or deliver them to another institution for deposit and eliminating possible delays due to "holds" placed on the funds when the checks are deposited in another institution or due to the postal service. In addition, by sweeping your payments into an interest-bearing account, you will begin earning rates of interest on them immediately. Each interest and dividend payment and subsequent sweep is automatically reported on your account statement. As previously referenced, CSM receives payment from Raymond James on interest payments which creates a conflict of interest for CSM to recommend these types of accounts.

Dividend Reinvestment Alternative- If you would like to automatically buy additional shares of the underlying stock with each cash dividend, you may choose to opt-in to our dividend reinvestment program. The option is available on most equity and closed-end fund shares that are listed on a national stock exchange. The program is free of charge on an unlimited number of securities. Benefits include consolidation of assets, estate simplification, and loan eligibility. Street name dividend-reinvestment offers ease of liquidation of all full and fractional shares through a single simple instruction to your financial professional, eliminating the need for multiple instructions to various outside agents.

Through our custodian, Interactive Brokers, we have the ability to provide an array of administrative services to better support, manage, and serve your investment needs. For a list of services offered by Interactive Brokers, please visit www.ibkr.com/products

SECTION V—OTHER IMPORTANT INFORMATION

STATEMENT OF CREDIT DISCLOSURE

Cash Accounts

Cash accounts may be subject, at the discretion of Raymond James or Interactive Brokers, to interest on any debit balances resulting from failure to make payment in full for securities purchased, from proceeds of sales paid prior to settlement date or for other charges that may be made to your account.

Margin Accounts

By purchasing securities on credit, commonly known as margin, you can increase the buying power of your equity and increase the potential for profit, but you also increase the potential for loss. When you buy securities on margin, you deposit a portion of the purchase price, and through our custodians, Raymond James or Interactive Brokers, we are able to extend you credit for the remainder. The loan appears as a debit balance on your monthly account statement. You are charged interest on your debit balance and require you to maintain securities, cash or other property to secure repayment of funds advanced.

Interest will be charged for any credit extended to you for the purpose of buying, trading, or carrying securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When our custodians, Raymond James or Interactive Brokers, pays funds in advance of settlement on the sale of securities, you will be charged interest on the amount paid from date of payment until settlement date. If any other charges are made to your account for any reason, you may be charged interest on the resulting debit balances.

Interest Rates (for accounts held at Raymond James)

You may be charged interest on any debit balances in cash accounts or credit extended in margin accounts at up to 2.75 percentage points above the Raymond James Base Lending Rate. This rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. It may change without prior notice. When the Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you changes for any other reason, Raymond James will notify you at least 30 days in advance. As noted above, RJM pays a portion of this interest to CSM. Please refer to the Margin section doing in Section IV- INVESTMENT PRODUCTTS AND SERVICES above.

Interest Period

Margin interest will post to your account on the last business day of the month. The interest period begins on the prior month's posting date and ends the day before the last business day of the month.

Method of Interest Computation

At the close of each day, the interest charge will be computed by multiplying the average daily debit balance by the applicable schedule rate, and then divide by 360. The month-end interest charge is the sum of the daily accrued interest calculations for the month. No interest is calculated on days when the account hasa zero balance or a credit balance. If there is a credit in your cash account and a debit in your margin account, you should expect that the interest charge will be calculated on the resulting net balance. Raymond James will add the interest charged for credit extended to your account at the close of the interest period to the opening debit balance for the next interest period unless you pay it. Raymond James Base Lending Rate agreements are governed by the laws of the State of Florida.

If you sell a security short (or short against the box) and it appreciates in market price, a debit will be posted to margin to make up for the increased price. Correspondingly, if the security you sold short depreciates in market price, a credit will be posted to margin to make up for the reduced price. This practice is known as "marking to market." If the "mark to market" creates a settled debit balance in margin, you will be charged interest onthe debit. Daily closing prices are used to determine the appreciation or depreciation of a security sold short.

If your account is short shares of stock on the record date of a dividend or other distribution, regardless of how the short position occurs, your account will be charged the amount of the dividend or other distribution on the following business day.

General Margin Policies

The amount of credit extended to you by our custodian, Raymond James, and the terms of the extension are governed by rules of the Federal Reserve Board and the Financial Industry Regulatory Authority. Using these rules as guidelines and subject to adjustment required by changes to them, as well their own business judgment; Raymond James has established internal policies for margin accounts. If the market value of securities in your margin account declines, they may require you to deposit additional collateral. Margin account equity is the current market value of securities and cash deposited as security; minus the amount you owe Raymond James for credit extended. It is the general policy of Raymond James to require margin account holders to maintain equity in their margin accounts of the greater of 30% of current market value or $3 per share for common stock purchased on margin. Raymond James applies other standards for other types of securities. For example, we do not allow securities valued at $5 per share or less to be purchased using margin, except under exceptional circumstances. Raymond James will grant approval for purchases of securities under $5 in a margin account at their sole discretion. Also, certain other securities may be ineligible for margin credit from time to time. For information on general margin maintenance policy as to municipal bonds, corporate bonds, listed U.S. Treasury notes and bonds, and other securities, contact your financial professional.

Notwithstanding the above general policies, both CSM and Raymond James reserve the right, at either firm's discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount for particular accounts or classes of accounts as either firm deems necessary. In making these determinations, we may take into account various factors, including the size of an account, liquidity of position, unusual concentrations of securities in an account, or a decline in creditworthiness. If you fail to meet a margin call in a timely manner, we may liquidate some or all of your positions without prior notification.

Deposits of Collateral, Lien on Accounts, and Liquidation

If additional collateral is requested, you may deposit cash or acceptable securities into your margin account. If you do not promptly deposit satisfactory collateral when requested, CSM and/or our custodian, Raymond James, may, at either firm's discretion, liquidate securities held in any of your accounts. In this connection, pursuant to our Margin Agreement, Raymond

James retains a security interest in all securities and other property held in your accounts, including securities held for safekeeping, so long as any credit extended remains outstanding.

Interest Rates (for accounts held at Interactive Brokers)

Additional information on the fees and interest of a margin account is available from Interactive Brokers, which offers and maintains the margin capabilities some high net worth institutional investors: www.ibkr.com/interest.com and www.ibkr.com/margin.

ACCOUNT PROTECTION

Coverage Summary

FDIC

- Covered Investments: Bank Deposits.
- Available Coverage: $250,000 insurance limit per depositor per insured institution. You may qualify for more than $250,000 in coverage if you own deposit accounts in different ownership categories. The deposit insurance company limits refer to the total of all deposits that an account holder (or account holders) has at each FDIC-insured bank.

SIPC

- Covered Investments: Registered securities and cash.
- Available Coverage: Generally protects SEC-registered securities to maximum of $500,000, including $250,000 coverage for claims for cash.

CSM is a member of the Securities Investor Protection Corporation (SIPC). SIPC provides coverage, as set forth above, in the unlikely event that we fail financially. Money market fund shares are not considered cash for this purpose; they are securities. An explanatory brochure is available upon request at www.sipc.org SIPC asset protection limits apply, in the aggregate, to all securities accounts that you hold with us in a particular capacity. SIPC coverage does not insure against the loss of your investment. SIPC coverage does not ensure the quality of investments, protect against a decline or fluctuations in the value of your investment, or cover securities not held by us. Account protection applies when an SIPC-member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against market fluctuations.

SIPC coverage is not the same as FDIC deposit insurance and operates differently. Balances and products such as certificates of deposit (CDs) held at Raymond James Bank,. are covered by the Federal Deposit Insurance Corporation (FDIC), subject to FDIC rules and aggregation limits, but not by SIPC or excess SIPC. FDIC is an independent agency of the U.S. government that insures bank-held assets as set forth above. For purposes of calculating the $250,000 FDIC limit, you should aggregate any accounts, deposits and products you maintain in the same capacity directly with Raymond James Bank, with any accounts, deposits and products you maintain at Raymond James Bank, through another intermediary such as us.

Unless explicitly stated, products sold by us are not considered bank deposits and are not covered by FDIC insurance. Further information on FDIC insurance can be obtained from your financial professional, who will provide you with the FDIC brochure, “Your Insured Deposits, FDIC’s Guide to Deposit Insurance Coverage,” upon request. You can obtain information directly from the FDIC, Division of Supervision and Consumer Protection, by writing to Deposit Insurance Outreach, 550 17th Street N.W., Washington, DC 20429, or telephoning 877-275-3342 or 800-925-4618 (TDD). Or you may visit the FDIC website at www.fdic.gov or email them at dcainternet@fdic.gov. You may also wish to consult with your attorney concerning FDIC coverage of deposits, particularly when held in more than one capacity. The information above summarizes account protection coverage for various Raymond James accounts.

CONFLICTS OF INTEREST WITH OUR CUSTODIAN(S)

CSM will make efforts to reduce potential conflicts of interest, but is not responsible for any actions of the custodian(s) or clearing firm(s) with regard to potential conflict of interest issues such as money market funds, the selling of order flow, cash balances, money market funds or other activities that may result in revenue being paid to an outside party.

ORDER FLOW

Custodians of assets, including Raymond James and Interactive Brokers may also collect revenue from the sale of order flow to other parties. CSM does not participate in this revenue and cannot control what the custodian does with regard to order flow.

FINANCIAL PROFESSIONAL CERTIFICATIONS AND PROFESSIONAL DESIGNATIONS

The ability to provide financial advice and conduct sales activities in the securities and insurance industries requires registration with a regulatory body. Conversely, professional designations are generally administered by an issuing organization (independent from us) that determines the criteria needed to earn the designation. Some designations involve rigorous standards to earn and maintain the designation, allow investors to verify the status of individuals claiming to hold that designation, and a few even have a formal disciplinary process. Other designations may have less rigorous requirements. If your financial professional holds out a designation, you should discuss with your financial professional the meaning of such designation. For additional information, FINRA also provides a Professional Designations tool on their website at www.finra.org/investors/professional-designations. We are not bound by the standards of any such organizations, and your relationship with us is governed by the terms of the applicable client agreements you have entered into with us and by the standards of conduct of regulatory and self-regulatory organizations with jurisdiction over us.

FINANCIAL PROFESSIONAL OUTSIDE BUSINESS ACTIVITIES

We permit our financial professionals to engage in outside business activities, upon firm approval, where outside compensation may be received. Some financial professionals are accountants, real estate agents, insurance agents, tax preparers, or lawyers and some financial professionals refer customers to other service providers and receive referral fees. As an example, a financial professional could provide advisory or financial planning services through an unaffiliated investment advisory firm or sell insurance through a separate business. A financial professional may earn compensation, benefits, and non-cash compensation through a third-party insurance agency and may have an incentive to recommend you purchase insurance products away from CSM. If you engage with a financial professional for services separate from CSM, you should discuss with your financial professional any questions that you have about the compensation they receive from the engagement. Information about your financial professionals outside business activities is available on FINRA's Broker Check website at www.brokercheck.finra.org.

CSM EQUITY RESEARCH

Services Description

CSM currently employs one research analyst who publishes public research reports on various companies. Each publication contains important disclosures about the research data and conclusions. Research disclosures on specific companies are found on the published research reports.

CSM CONTACT INFORMATION

Please reach out to your financial professional with questions regarding any of the materials contained in this document. Alternatively, you are welcome to contact our Operations Hotline, available Monday through Friday, 9 AM to 5 PM EST, at 804-612-9700.

IMPORTANT DISCLOSURE NOTICES

Schedule of Fees

To view a listing of our current fees associated with administrative account costs, visit: capitolsecurities.com/client account fees and charges

Privacy Policy

The Securities and Exchange Commission has adopted enhanced customer privacy rules regarding security and sharing of nonpublic personal, and account information of clients. These rules primarily are directed at banks and insurance companies but apply to all financial institutions. As part of these regulations, we are required to issue a "Customer Privacy Notice", discussing information collected from our clients and our procedures on how to best protect that information.

Information Collected- We collect nonpublic personal information about you including, but not limited to, your name, address, social security number, employment, age, marital status, income, net worth, security transactions, interest and dividend payments, money movements, and associated tax reporting information for transactions performed through Capitol Securities Management, Inc. We collect this information through account applications and associated forms, transactions in your account, connections with our web site, email communications, and other correspondence.

Safeguarding Your Information- We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic information.

Shared Information- We limit access to nonpublic information about you to only those who need to know that information to provide products and services to you. Capitol Securities utilizes the trade clearing and custody services of Raymond James & Associates, Inc. and Interactive Brokers. Raymond James and Interactive Brokers are responsible for issuing their own privacy statement to be supplied to each customer in addition to this disclosure.

Questions – A full set of detailed procedures regarding customer privacy is available for inspection upon your request. If you have any questions, please contact our Compliance Department at 804.612.9700.

Business Continuity Disclosure

Capitol Securities Management, Inc., has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us- If after a significant business disruption, you cannot contact us as you usually do at 703.821.2010, you should call our alternative number 804.612.9700 or go to our web site at www.capitolsecurities.com. If you cannot access us through either of those means, you should contact our clearing firm, Raymond James & Associates, Inc., at 800.647.7378, or go to their website www.raymondjames.com. Raymond James will provide you with instructions on how they may assist you with the following: Account balances; Order entry (liquidations only); Fund transfers; Account transfers; Account activity; Tax information and documents; Account statements and checking requests. You can contact our clearing firm, Interactive Brokers, at 1.877.442.2757 , or go to their website at interactivebrokers.com

Our Business Continuity Plan- We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business. Our clearing firms, Raymond James and Interactive Brokers, back up our important records in geographically separate areas. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firms have advised us that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments as soon as practically possible. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions- Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within one (1) hour. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within two (2) hours. In either situation, we plan to continue in business and notify you through our web site capitolsecurities.com or our customer emergency number, 617.897.8500. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities. ***For more information*** you can contact us at 703.821.2010.

FORM CRS (Client Relationship Summary)

For additional information about our brokerage and advisory services (including what services are available through Capitol Securities Management, fees, charges, and potential conflicts of interest associated with certain types of accounts), please review Form CRS at capitolsecurities.com/regulatory-disclosures, ask your IAR, or call us at 804-612-9700.