The Strength of Advice®

Response to Request for Proposal

Prepared Exclusively for

Ocean Charter School

Bland | Garrison Wealth Management
Phone: (916) 581 - 7548
2901 Douglas Blvd, Suite 255
Roseville, CA 95661

April 19, 2024

Kristy Mack Fett, Executive Director
Ocean Charter School
mskristy@oceancs.org

Mark Galantry, Member of the Board
Ocean Charter School
markgalantry@oceancs.org

Dear Kristy and Mark,

On behalf of D.A. Davidson & Co., we would like to thank you for this opportunity to submit a proposal for investment management services for Ocean Charter School. It would be our pleasure to partner with you.

As you review and evaluate other candidates, we believe there are three primary differences that will distinguish our team and our firm from the others:

Stability and Tenure. D.A. Davidson & Co. has been independent and employee-owned since our inception. Further, David Bland and Eric Garrison have over 70 years of combined industry experience.

Experience and Expertise. D.A. Davidson & Co. has been providing wealth management services to clients since 1935. David and Eric work with small businesses, nonprofits, and high net worth individuals formulating investment policy, implementation, and amending strategies as goals and timelines change.

Service and Approach. Our service-oriented, hands-on approach sets us apart from others in this highly regulated industry. We view each client relationship as a long-term partnership and as such, we purposefully limit the number of new clients we accept each year. This ensures that each and every one of our clients receives nothing less than the exceptional, personalized advice and attention that they have become accustomed to.

Again, thank you for considering Bland | Garrison Wealth Management. We look forward to participating in this process.

Sincerely,

David & Eric

David Bland, CWS® | SVP, Financial Advisor

Eric Garrison, CPFA® | Financial Advisor

Financial Advisor with D.A. Davidson & Company

Table of Contents

SECTION 1: RFP Response

1. List name and contact information of: your firm, primary advisor(s), and key support staff.

Firm:	**D.A. Davidson & Co.**
Address:	**8 Third Street North, Great Falls, MT 59401-3104**
Number:	**(406) 727-4200**
Advisor:	**David Bland, CWS®, SVP, Financial Advisor**
Email:	**dbland@dadco.com**
Number:	**(213) 244-9278**
Advisor:	**Eric Garrison, CPFA®, Financial Advisor**
Email:	**egarrison@dadco.com**
Number:	**(916) 581-7548**

For more biographical information please refer to Section 4: Disclosures | Appendix G - Part 2B of Form ADV | Page 102.

2. History of firm

A. Davidson is an independent, employee-owned, full-service financial services organization with over 1,600 associates and $79.6 billion in assets under management located in 30 states and Canada. The company is led by Chairman and CEO Lawrence Martinez. The Board of Directors provides strategic direction for the leadership team and firm. D.A. Davidson Companies consists of four wholly owned subsidiaries: D.A. Davidson & Co., Davidson Investment Advisors, D.A. Davidson Trust Company, and Davidson Fixed Income Management.

D.A. Davidson was founded in 1935 by the Davidson Family in Great Falls, MT, which still serves as our headquarters today. Through our employee-owned and innovative spirit, we have expanded from a single office to 114 offices and over 1,600 employees across the country. Over the course of time, our footprint and scope of services expanded and evolved in order to properly serve our clients. To this day, the Davidson Family is involved in day-to- day operations of the firm and the family-oriented culture remains despite our growth.

Please refer to Section 2: Just the Facts (About D.A. Davidson) | Appendix A – Just the Facts | Page 11.

3. Asset size and structure of the organization

D.A. Davidson Companies is an employee-owned financial services firm offering a range of financial services and advice to individuals, corporations, institutions, and municipalities nationwide. Founded in 1935 with corporate headquarters in Great Falls, Montana, and regional headquarters in Denver, Los Angeles, New York, Omaha, and Seattle.

D.A. Davidson Companies with $79.6 billion of assets under administration (AUA) is comprised of:

- **D.A. Davidson & Co. … $71.5 billion, member SIPC**
    - **Wealth Management**
    - **Equity Capital Markets**
    - **Fixed Income Capital Markets**
- **Davidson Investment Advisors … $6.3 billion**
- **D.A. Davidson Trust Company … $1.8 billion**

Davidson's lines of business are detailed in Section 2: Just the Facts (About D.A. Davidson) | Appendix A – Just the Facts | Page 11.

4. List of services offered

D.A. Davidson & Co. ("D.A. Davidson") is registered as both a broker-dealer and as an investment advisor under federal and state securities laws, and we and our Financial Advisors may provide services in both capacities. In addition to our responsibility for the management and servicing of any accounts domiciled by The Ocean Charter School at our firm, we would have resources available to provide support and/or education for the following:

i. **Fee-based investment management**
ii. **Cash management services – money markets (including FDIC insured), brokered CD's, T-Bills, check writing, debit/credit cards, ACH link with bank, Fedwires**
iii. **Traditional brokerage services – stocks, bonds, mutual funds, ETF**
iv. **Business retirement plans – 401(k), 403(b), Simple IRA, SEP, etc.**
v. **Alternative Investments – hedge funds, private real estate, private debt, private equity**
vi. **Comprehensive financial planning**
vii. **Estate planning**
viii. **Insurance Services – life, disability, long-term care, annuities**
ix. **Online account viewing, electronic document delivery**
x. **Trust services – custody services, estate administration, fiduciary services**
xi. **SRI/ESG investment strategies and screening**
xii. **Lending Services – lines of credit**
xiii. **Investment Banking – municipal bond underwriting, merger & acquisitions, IPO, etc.**

5. Biographies of the team that will service the relationship

David Bland, CWS®, SVP, Financial Advisor

David Bland is originally from St. Louis Missouri and joined Crowell Weeden in 1984 which was later merged into D.A. Davidson in 2013. David graduated from Pasadena college with a degree in business administration and is actively involved in Los Angeles Rotary club, currently serving as past president

David's career, which spans over 40 years, has been dedicated to helping families, small business owners, and organizations manage their estates through the generations. David's specific investment expertise is focused on multi-class fixed income, equity income, and listed preferred shares. David holds the Certified Wealth Strategist designation.

In his free time, David, enjoys horticulture, live music, reading, and spending time with his wife, Sheryl, and children, Justin, Kelly, Allison, and Ryan.

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Eric Garrison, CPFA®, Vice President, Financial Advisor

Eric joined the Roseville office of D.A. Davidson in 2019 following six years with Morgan Stanley. He previously worked with Prudential Securities, Wachovia Securities, and RBC Dain Rauscher, and also consulted for large companies in the Power & Energy industry.

His background in consulting for Fortune 500 Energy companies, along with his finance and portfolio management experience, helps him navigate sophisticated wealth planning issues for clients. He recognizes the signs of complex financial needs and have successfully delivered solutions for multi-generational families, including those that require outside counsel with CPAs, Enrolled Agents, Insurance Experts, and Estate Planning and Real Estate Attorneys.

Eric graduated from California State University at Sacramento with a bachelor's degree in business administration with a finance concentration. He has lived in Northern California for the past 30 years and currently lives in Roseville with his daughter, Olivia, and niece, Greta. When not at work, He enjoys spending time with family, fishing, golfing and staying active.

For more biographical information please refer to Section 4: Disclosures I Appendix G - Part 28 of

Form ADV I Page 102.

6. Investment philosophy when working with us

In accordance with the guidelines identified in Ocean Charter School Board Investment Policy along with our initial due diligence meeting with the OCS "School Board" dated March 12th, 2024, we, the advisors of Bland Garrison Wealth Management, make the initial recommendations:

1) **Establishment of the "Treasury," the main reserve account holding OCS's excess assets.**

    - **The primary objective of the Treasury is capital preservation with best available risk adjusted yield.**
    - **The Treasury can be structured to receive and deliver direct transfers of listed assets, cash proceeds, and donations of listed assets and cash proceeds as instructed by the School Board.** *<u>Gifts and Donations received then sold will be on a separate fee structure at a flat commission of $75 and a $6.85 postage/handling fee (subject to change based on firm minimum).</u>*

2) **Investment within the Treasury that are limited to United States Treasury obligations or "Treasuries" and/or Certificates of Deposit or "CDs" that are insured by the federal deposit insurance corporation (FDIC), collectively known as "fixed income" or "bonds" offering a high degree of Safety of Principal.**

    - **As-of February 6th, 2025, we target bonds with yields in excess of 4%, which are subject to fixed income market fluctuations.**
    - **Identifying the tax structure of OCS will help us determine the best fixed income strategy, with Treasuries enjoying special tax treatment in certain situations.**

3) **Using Treasuries or CDs, the construction of a short-term "Ladder" portfolio, an investment in Bonds which mature at par at predicted intervals over a given time frame to help satisfy OCS's liquidity needs as determined by the School Board.**

- **A short-term Ladder, often comprised of equal investments in bonds maturing in intervals of 3-month, 6-month, 9-month, and 12-month, offers a predictive schedule of cash flow and attractive risk-adjusted yields while insulating against fluctuating interest rates.**
- **Traditionally, bond prices depreciate as interest rates appreciate, and conversely as rates drop, in which case a Ladder helps mitigate rates fluctuations.**

Accordingly, we believe adhering to the above guidelines for Treasury assets will maintain a high degree of Public Trust through investment focused on preservation of principal, liquidity, and attractive risk-adjusted yields, while abstaining from investments not deemed as socially responsible.

Please refer to Section 3: Sample Reports | Appendix D – Short-Term Paper | Page 20 for a hypothetical short-term ladder portfolio.

Please refer to Section 3: Sample Reports | Appendix C – D.A. Davidson Advisory Pricing | Page 18 for our standard Fixed-Income asset management fee schedule (managed assets fee schedule).

7. How do you plan on managing the short-term liquidity needs of Ocean Charter School in accordance with their investment policy?

Through the use of a Ladder and careful coordination with the School Board, we seek to maintain a predictive schedule of maturing bonds in order to manage OCS liquidity needs.

Please refer to Section 3: Sample Reports | Appendix B – Treasury Ladder | Page 15.

8. Assist in designing long-term investment plan for excess cash reserves.

Work with the School Board designing a long-term investment strategy for excess cash reserves. Use a mixture of long-term investments designed for conservative growth and income.

Please refer to Section 3: Sample Reports | Appendix C – D.A. Davidson Advisory Pricing | Page 18.

9. Fee schedule for services outlined in this RFP

Please refer to Section 3: Sample Reports | Appendix C – D.A. Davidson Advisory Pricing | Page 18.

10. Describe your participant communication plan (ongoing process of communication)

Communication frequency is based on the needs of the School Board, recognizing good stewardship in managing OCS Treasury is based on a host of factors including account activity, investment strategy and due-diligence, and economic climate.

At a minimum, we seek bi-annual engagement in order to effectively manage within Ocean Charter School Board Investment Policy.

SECTION 2: Just the Facts (About D.A. Davidson)

Appendix A - Just the Facts

Appendix A - Just the Facts

Just the Facts

D|A|DAVIDSON COMPANIES

- **Year Founded:** 1935
- **Headquarters:** Great Falls, MT
- **Employees:** 1,613
- **Offices:** 114
- **States:** 30
- **AUA:** $79.6 billion

FIRM OVERVIEW

D.A. Davidson Companies is an employee-owned financial services firm offering a range of financial services and advice to individuals, corporations, institutions, and municipalities nationwide. Founded in 1935, the firm is headquartered in Great Falls, Montana, with offices across the United States.

Regional hubs in Denver / Greater Los Angeles / New York / Omaha / Seattle.

Learn more at dadavidson.com.

D.A. DAVIDSON & CO.

AUA: $71.5 billion

Wealth Management

Our Wealth Management group helps clients achieve their financial goals through holistic financial planning and personalized solutions. We work closely with clients to build and preserve wealth while offering trusted advice through life's key moments. Our network of approximately 350 financial professionals is supported by robust platform solutions and a skilled operations team serving clients nationwide.

826 EMPLOYEES

88 LOCATIONS

Equity Capital Markets

Combined with our wealth of experience and deep investor network, our ability to follow and act on global insights puts us a step ahead. While we work separately as distinct business units, we work collaboratively to serve our clients' needs. We provide capital markets services and products that include investment banking, institutional sales, trading, research, and corporate services.

As a full-service platform, our group offers expertise to middle-market companies across four industries of focus:

- Consumer
- Diversified industrials
- Financial institutions
- Technology

196 EMPLOYEES

15 LOCATIONS

Fixed Income Capital Markets

Our FICM group is a national leader in raising capital through fixed income banking, distribution, depository strategy, brokered CD underwriting, and whole loan trading. The fixed income team serves new issue clients in public finance and taxable debt issuance, and maintains a diverse sales and trading group interacting with taxable and tax-exempt investors, including banks, credit unions, insurance companies, bond funds, money managers, and trust companies.

Our public finance expertise stretches across a range of financing needs that include:

- State & local government
- Utilities
- Education
- Health care
- Senior living
- Real estate

180 EMPLOYEES

29 LOCATIONS

DAVIDSON INVESTMENT ADVISORS, INC.

AUA: $6.3 billion

Davidson Investment Advisors and its Caprin Asset Management division work with high net worth individuals and institutions across the nation, providing personalized investment solutions and expert advice. Our transparent, tailored portfolios provide a long-term, actively managed, risk-aware approach to investing that aligns our team with our clients' most important objectives.

30 EMPLOYEES

7 LOCATIONS

D.A. DAVIDSON TRUST COMPANY

AUA: $1.8 billion

D.A. Davidson Trust helps clients shape their unique legacy with clear strategies, personalized solutions, and a holistic approach. We offer customized personal trust, investment management, wealth planning, and retirement planning — allowing you to transfer your wealth in a manner reflecting your values. We provide access to a full suite of expert advisors, including trust & fiduciary advisors, retirement planning specialists, and estate planning professionals.

28 EMPLOYEES

10 LOCATIONS

Our Locations

D|A DAVIDSON COMPANIES

ARIZONA
Scottsdale

CALIFORNIA
Carlsbad
Claremont
Encino
Fresno
Irvine
Long Beach
Newport Beach
Pacific Palisades
Pasadena
Roseville
Ventura

COLORADO
Colorado Springs
Denver
Grand Junction

DISTRICT OF COLUMBIA
Washington

FLORIDA
Boca Raton

GEORGIA
Atlanta

IDAHO
Boise
Coeur d'Alene
Eagle
Idaho Falls
Lewiston
Moscow
Pocatello
Sandpoint
Twin Falls

ILLINOIS
Chicago

IOWA
Des Moines

KANSAS
Overland Park

LOUISIANA
Destrehan

MASSACHUSETTS
Boston

MINNESOTA
Oakdale
Plymouth

MISSOURI
Kansas City

MONTANA
Billings
Bozeman
Butte
Great Falls
Hamilton
Havre
Helena
Kalispell
Missoula
Whitefish

NEBRASKA
Columbus
Lincoln (Canopy St.)
Lincoln (S 34th St.)
Omaha

NEVADA
Minden
Reno
Stateline

NEW JERSEY
Red Bank
Upper Saddle River

NEW YORK
New York City (Third Ave.)
New York City (Lexington Ave.)

NORTH CAROLINA
Charlotte
Fayetteville
Greensboro
Leland
Wilmington
Winston-Salem

NORTH DAKOTA
West Fargo

OHIO
Dublin
Independence
Mason
Powell

OKLAHOMA
Norman
Oklahoma City

OREGON
Bend
Hood River
Klamath Falls
Lake Oswego
Medford
Pendleton
Portland
Roseburg
Salem

SOUTH CAROLINA
Lexington

TENNESSEE
Franklin
Memphis

TEXAS
Austin
Plano
The Woodlands

UTAH
Logan
Salt Lake City
South Jordan

VIRGINIA
Bedford
Blacksburg
Bluefield
Charlottesville
Culpeper
Harrisonburg
Lynchburg
Richmond

WASHINGTON
Aberdeen
Bainbridge Island
Bellevue
Bellingham
Burlington
Ellensburg
Everett
Kennewick
Port Angeles
Seattle
Spokane (W Main Ave.)
Spokane (South Hill)
Tacoma
Vancouver
Walla Walla
Wenatchee

WYOMING
Gillette
Sheridan

CANADA
Toronto

Data as of 12/31/2024
Locations include broker-dealer offices of supervisory jurisdiction, registered branch offices, and locations housing professionals conducting D.A. Davidson Companies business.

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Locations by Business

D|A DAVIDSON COMPANIES

WEALTH MANAGEMENT

ARIZONA
Scottsdale

CALIFORNIA
Carlsbad
Claremont
Encino
Fresno
Long Beach
Newport Beach
Pasadena
Roseville
Ventura

COLORADO
Colorado Springs
Denver
Grand Junction

IDAHO
Boise
Coeur d'Alene
Eagle
Idaho Falls
Lewiston
Moscow
Pocatello
Sandpoint
Twin Falls

MONTANA
Billings
Bozeman
Butte
Great Falls
Hamilton
Havre
Helena
Kalispell
Missoula
Whitefish

NEBRASKA
Columbus
Lincoln (Canopy St.)
Lincoln (S 34th St.)
Omaha

NEVADA
Minden
Stateline

NORTH CAROLINA
Charlotte
Fayetteville
Greensboro
Leland
Wilmington
Winston-Salem

NORTH DAKOTA
West Fargo

OHIO
Powell

OKLAHOMA
Oklahoma City

OREGON
Bend
Hood River
Klamath Falls
Lake Oswego
Medford
Pendleton
Portland
Roseburg
Salem

SOUTH CAROLINA
Lexington

TENNESSEE
Franklin

TEXAS
Austin
Plano

UTAH
Logan
Salt Lake City
South Jordan

VIRGINIA
Bedford
Blacksburg
Bluefield
Charlottesville
Culpeper
Harrisonburg
Lynchburg

WASHINGTON
Aberdeen
Bainbridge Island
Bellevue
Bellingham
Burlington
Ellensburg
Everett
Kennewick
Port Angeles
Seattle
Spokane (W Main Ave.)
Spokane (South Hill)
Tacoma
Vancouver
Walla Walla
Wenatchee

WYOMING
Gillette
Sheridan

EQUITY CAPITAL MARKETS

CALIFORNIA
Irvine

COLORADO
Denver

DISTRICT OF COLUMBIA
Washington

FLORIDA
Boca Raton

GEORGIA
Atlanta

ILLINOIS
Chicago

MASSACHUSETTS
Boston

MONTANA
Great Falls

NEW YORK
New York City (Third Ave.)
New York City (Lexington Ave.)

OREGON
Portland

TEXAS
Austin

UTAH
Salt Lake City

WASHINGTON
Seattle

CANADA
Toronto

FIXED INCOME CAPITAL MARKETS

CALIFORNIA
Irvine
Pacific Palisades
Roseville

COLORADO
Denver

FLORIDA
Boca Raton

ILLINOIS
Chicago

IOWA
Des Moines

LOUISIANA
Destrehan

MASSACHUSETTS
Boston

MINNESOTA
Oakdale

MISSOURI
Kansas City

MONTANA
Bozeman
Great Falls

NEBRASKA
Lincoln
Omaha

NEW JERSEY
Red Bank
Upper Saddle River

NEW YORK
New York City

OHIO
Dublin
Mason

OKLAHOMA
Norman

OREGON
Lake Oswego

TENNESSEE
Memphis

TEXAS
Austin
Plano
The Woodlands

UTAH
Salt Lake City

WASHINGTON
Seattle
Spokane

DAVIDSON INVESTMENT ADVISORS, INC.

CALIFORNIA
Carlsbad

COLORADO
Denver

MONTANA
Bozeman
Great Falls

VIRGINIA
Richmond

WASHINGTON
Seattle
Spokane

D.A. DAVIDSON TRUST COMPANY

IDAHO
Boise

MONTANA
Billings
Great Falls

NEBRASKA
Lincoln
Omaha

NEVADA
Reno

NORTH CAROLINA
Wilmington

OREGON
Medford

WASHINGTON
Seattle
Spokane

Data as of 12/31/2024
Locations include broker-dealer offices of supervisory jurisdiction, registered branch offices, and locations housing professionals conducting D.A. Davidson Companies business.

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SECTION 3: Sample Reports

Appendix B - Treasury Ladder
Appendix C - D.A. Davidson Advisory Pricing
Appendix D - Short-Term Paper

Appendix B - Treasury Ladder

Offer Sheet

February 10, 2025

Qty (000)	Cusip	Rating	Issue	Avg Life	Coupon	Maturity	Price	YTW	YTM	Accrued Interest	Principal	Net Amount
20	912797NE3	-/-	United States Treas Bills	N/A	0.000%	05/08/2025	$99.002	4.176% (dis)	4.277%	$0.00	$19,800.47	$19,800.47
20	912797MG9	-/-	United States Treas Bills	N/A	0.000%	08/07/2025	$97.962	4.145% (dis)	4.290%	$0.00	$19,592.44	$19,592.44
20	912828M56	Aaa/-	United States Treas Nt	N/A	2.250%	11/15/2025	$98.506	4.273%	4.273%	$109.39	$19,701.22	$19,810.61
20	91282CBH3	Aaa/-	United States Treas Nts	N/A	0.375%	01/31/2026	$96.358	4.249%	4.249%	$2.28	$19,271.53	$19,273.81

Offer Sheet

February 10, 2025

The listed investments are subject to availability and changes in quantities and prices. Minimum purchases may apply. The information has been obtained from sources believed to be reliable, but accuracy is not guaranteed. An early redemption, or call, feature gives an issuer of bonds & CDs an option to repay principal prior to maturity. Bonds & CDs may also be putable at the option of the owner. In that instance, the indicated yield is the yield to the worst case. Ratings are from Moody's Investors Services, Fitch and Standard and Poors. Ratings of insured bonds are the rating of the insurer, not the issuer.The insurer is obligated to make timely repayment of interest and principal if an issuer fails to do so. Bond & CD prices fluctuate due to changes in underlying credit quality and changes in credit markets. Bond & CD owners who sell their bonds prior to maturity may realize a loss on their investment. Insurance does not guarantee market value or eliminate price fluctuations and volatility. No representation is made as to an insurer's ability to meet its financial commitments. Some municipal issues may be subject to state and local taxes and/or the federal income or alternate minimum tax.Please consult your tax adviser regarding the suitability of tax-exempt investments. The U.S. government guarantees repayment of principal and interest of securities issued by the U.S. Treasury. Government agency securities are not direct obligations of the U.S. government. Certificates of deposit are FDIC insured up to $250,000 (including principal and accrued interest) per depositor per depository institution, all other investments are not FDIC insured. For more complete information about certificates of deposit, please obtain a Disclosure Document. For more complete information about new municipal issues, please obtain an official statement. For additional information about any of the investments listed, please consult your Financial Advisor.

Appendix C - D.A. Davidson Advisory Pricing

Equities Pricing Schedule

Advisory Household Value	Floor (Minimum)	Ceiling (Maximum)
$5,000* - $24,999	**1.25%****	1.85%
$25,000 - $249,999	1.00%	1.85%
$250,000 - $499,999	1.00%	1.60%
$500,000 - $999,999	0.95%	1.55%
$1,000,000 - $1,999,999	0.85%	1.45%

Fixed Income Pricing Schedule

Fixed Income for ≥80% Fixed Exposure Household Value	Floor (Minimum)
$25,000 - $249,999	1.00%
$250,000 - $499,999	0.75%
$500,000 - $999,999	0.70%
$1,000,000 - $1,999,999	0.60%

D.A. Davidson & Co. member SIPC

The Strength of Advice®

Fixed Income Offering Report

Prepared For

Ocean Charter School

February 7th, 2025

Presented By

Eric Garrison
Financial Advisor
Email: egarrison@dadco.com
Phone: 916-581-7548

A disclaimer is provided at the end of this report. Please read thoroughly before making investment decisions.

Qty (000)	Cusip	Rating	Issue	Avg Life	Coupon	Maturity	Price	YTW	YTM	Accrued Interest	Principal	Net Amount
5	07371VCR6	57833	Beal Bk Usa Las Vegas Nev Restricted States: OH,TX	N/A	4.300%	03/19/2025	$100.000	4.300%	4.300%	$0.00	$5,000.00	$5,000.00
805	05368TCP4	57510	Avidbank	N/A	4.300%	04/14/2025	$100.000	4.300%	4.300%	$0.00	$805,000.00	$805,000.00
1,235	29367AED1	27408	Enterprise Bk & Tr Lowell Mass Restricted States: MA,NH	N/A	4.300%	05/14/2025	$100.000	4.300%	4.300%	$0.00	$1,235,000.00	$1,235,000.00
8,500	680061LT3	3832	Old Natl Bk Evansville Ind Restricted States: IA,IL,IN,KY,MI,MN,TN,WI	N/A	4.300%	05/14/2025	$100.000	4.300%	4.300%	$0.00	$8,500,000.00	$8,500,000.00
1,635	87220LDZ4	23498	Tbk Bk Ssb Insll Ctf Dep Program	N/A	4.300%	05/14/2025	$100.000	4.300%	4.300%	$0.00	$1,635,000.00	$1,635,000.00
500	92937CMW	34697	Wex Bk Midvale Utah Restricted States: OH,TX	N/A	4.300%	05/14/2025	$100.000	4.300%	4.300%	$0.00	$500,000.00	$500,000.00
2,000	06428F4M6	33653	Bank Of China New York City Br Restricted States: FA,MT,OH,TX	N/A	4.300%	05/15/2025	$100.000	4.300%	4.300%	$0.00	$2,000,000.00	$2,000,000.00
500	22766ASL0	58648	Crossfirst Bk Leawood Ks Restricted States: KS	N/A	4.300%	05/19/2025	$100.000	4.300%	4.300%	$0.00	$500,000.00	$500,000.00
3,000	34387AJS9	58564	Flushing Bank	N/A	4.300%	05/19/2025	$100.000	4.300%	4.300%	$0.00	$3,000,000.00	$3,000,000.00
1,000	59013K4K9	34519	Merrick Bk South Jordan Utah Restricted States: OH,TX	N/A	4.300%	05/19/2025	$100.000	4.300%	4.300%	$0.00	$1,000,000.00	$1,000,000.00
1,576	68371GES7	57944	Open Bank	N/A	4.300%	05/19/2025	$100.000	4.300%	4.300%	$0.00	$1,576,000.00	$1,576,000.00
1,000	045491VB0	5296	Associated Bk Natl Assn Green Restricted States: IL,MN,WI	N/A	4.300%	05/21/2025	$100.000	4.300%	4.300%	$0.00	$1,000,000.00	$1,000,000.00
500	07371BZ61	32574	Beal Bk Plano Tex	N/A	4.300%	05/21/2025	$100.000	4.300%	4.300%	$0.00	$500,000.00	$500,000.00
500	07371VCL9	57833	Beal Bk Usa Las Vegas Nev Restricted States: OH,TX	N/A	4.300%	05/21/2025	$100.000	4.300%	4.300%	$0.00	$500,000.00	$500,000.00

Offer Sheet

February 10, 2025

Qty (000)	Cusip	Rating	Issue	Avg Life	Coupon	Maturity	Price	YTW	YTM	Accrued Interest	Principal	Net Amount
1,104	43785QTB9	32489	Homestreet Bank Restricted States: HI,ID, OR,WA	N/A	4.300%	05/21/2025	$100.000	4.300%	4.300%	$0.00	$1,104,000.00	$1,104,000.00
5,000	06279MER9	33648	Bank India New York Brh Restricted States: MT,OH,TX	N/A	4.300%	06/11/2025	$100.000	4.300%	4.300%	$0.00	$5,000,000.00	$5,000,000.00

Offer Sheet

February 10, 2025

The listed investments are subject to availability and changes in quantities and prices. Minimum purchases may apply. The information has been obtained from sources believed to be reliable, but accuracy is not guaranteed. An early redemption, or call, feature gives an issuer of bonds & CDs an option to repay principal prior to maturity. Bonds & CDs may also be putable at the option of the owner. In that instance, the indicated yield is the yield to the worst case. Ratings are from Moody's Investors Services, Fitch and Standard and Poors. Ratings of insured bonds are the rating of the insurer, not the issuer.The insurer is obligated to make timely repayment of interest and principal if an issuer fails to do so. Bond & CD prices fluctuate due to changes in underlying credit quality and changes in credit markets. Bond & CD owners who sell their bonds prior to maturity may realize a loss on their investment. Insurance does not guarantee market value or eliminate price fluctuations and volatility. No representation is made as to an insurer's ability to meet its financial commitments. Some municipal issues may be subject to state and local taxes and/or the federal income or alternate minimum tax.Please consult your tax adviser regarding the suitability of tax-exempt investments. The U.S. government guarantees repayment of principal and interest of securities issued by the U.S. Treasury. Government agency securities are not direct obligations of the U.S. government. Certificates of deposit are FDIC insured up to $250,000 (including principal and accrued interest) per depositor per depository institution, all other investments are not FDIC insured. For more complete information about certificates of deposit, please obtain a Disclosure Document. For more complete information about new municipal issues, please obtain an official statement. For additional information about any of the investments listed, please consult your Financial Advisor.

SECTION 4: Disclosures

Appendix E - Part 2A of Form ADV
Appendix F - Part 2A Appendix 1 of Form ADV
Appendix G - Part 2B of Form ADV
Appendix H - Regulation Best Interest Disclosures
Appendix I - Form CRS - Client Relationship Summary

Part 2A of Form ADV:

Firm Brochure

8 Third Street North
Great Falls, MT 59401

800-332-0529
www.davidsoncompanies.com/dia

December 20, 2024

This firm brochure provides information about the qualifications and business practices of Davidson Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 800-332-0529 or DavidsonInvMarketing@dadco.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser with the Securities and Exchange Commission does not imply any specific level of skill or training.

Additional information about Davidson Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our firm's CRD number, which is 110552.

Item 2 Material Changes

A summary of material changes made to the Davidson Investment Advisors ADV Part 2A Firm Brochure (the "Brochure") will be published in a separate document that will be distributed to clients who received the previous version of the Brochure and continue to have an advisory account with Davidson investment Advisors.

Item 3 Table of Contents

Item 4 Advisory Business

Davidson Investment Advisors, Inc. ("Davidson Investment Advisors" or “the Firm”) is a Securities and Exchange Commission (“SEC”)-registered investment adviser. Davidson Investment Advisors is wholly owned by D.A. Davidson Companies, a financial services holding company. Davidson Investment Advisors has been conducting business since 1975 with its headquarters in Great Falls, Montana. The purpose of this Firm Brochure (“Brochure”) is to describe and disclose the services, fees, potential conflicts of interest, and other information clients should consider regarding the advisory services offered by the Firm.

The information contained herein is current as of the date of this Brochure and is subject to change at Davidson’s discretion. Please retain this Brochure for your records.

Caprin Asset Management (“Caprin”) operates as a division of Davidson Investment Advisors. Caprin offers fixed income portfolio management services for both institutional and individual clients. For information about Caprin’s services, please see Caprin’s Form ADV Part 2A Firm Brochure, which can be found at www.dadavidson.com/Disclosures.

TYPES OF ADVISORY SERVICES

The Firm offers professional portfolio management to individuals and institutions desiring investments in equity, fixed income, and multi-asset products. The advisory services offered by Davidson generally include portfolio management related account services. These advisory services are offered through the following types of programs:

- A direct relationship with Davidson Investment Advisors, with full investment and trading discretion.
- A subadvisor to other investment advisers or broker-dealers, with full investment and trading discretion. This includes participation in wrap fee programs sponsored and administrated by D.A. Davidson & Co. (a related person and broker-dealer subsidiary of D.A. Davidson Companies) and unaffiliated parties (the “Sponsors”).
- A model provider to other investment advisers or broker-dealers for equity strategies. As a model portfolio provider, Davidson Investment Advisors monitors and updates the model portfolios; the investment advisers or broker-dealers are then responsible implementing the model portfolios for their clients and adjusting the model portfolio as recommended by the Firm. Davidson Investment Advisors does not have any trading authority over the third-party investment adviser’s clients’ assets invested in such model portfolios.
- Investment adviser to the Davidson Multi-Cap Equity Fund (the “Fund”, which is a fund of the Adviser Series Trust ("Trust"). The Trust is registered under the Investment Company Act of 1940 as an open-end management investment company with multiple series. U.S. Bank Global Fund Services acts as the Fund's administrator and provides accounting and transfer agency services.

In addition, Davidson Investment Advisors offers discretionary and non-discretionary advisory services to direct clients via our own sponsored Wrap Fee Program. In this Wrap Fee Program, the Firm acts as your investment adviser, and brokerage services (such as trade execution and custody services) are provided by our affiliated broker-dealer, D.A. Davidson & Co. for a single “wrap fee.” Conversely, in a non-wrap fee program, Davidson acts as your investment adviser and brokerage services (such as trade execution and custody services) are negotiated by you with the account custodian and paid separately. For a complete description of Davidson Investment Advisors Wrap Fee Program, clients should refer to the Firm's Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure. To receive a copy of this wrap brochure, contact us at 800-332-0529 or DavidsonInvMarketing@dadco.com.

Davidson offers four primary investment strategies: Equity Income, Multi-Cap Equity, Intermediate Taxable Fixed Income, and Intermediate Municipal Fixed Income. Regardless of the type of program, the Firm's advisory services are provided, portfolios utilizing the same investment strategy are constructed and managed similarly.

Portfolio Construction and Composition. Davidson Investment Advisors can use a variety of investments, including stocks, bonds, mutual funds, and ETFs, among others, to build a portfolio of diversified holdings; the Firm will use all or a subset of these investments to construct the client's portfolio. The Firm can provide diversification through exposure to different asset classes (such as equities, fixed income, and alternative investments).

More information on the methods of analysis for investment strategies undertaken in the Discretionary Program is provided in Item 8 below.

Monitoring and Rebalancing. Davidson Investment Advisors reviews the portfolios quarterly and considers whether, based on market fluctuations and other factors, rebalancing a client's portfolio is appropriate. Once changes are deemed appropriate, they are implemented in the client's account at the Firm's discretion without prior notice to the client (including regarding the timing of these changes).

Reasonable Investment Restrictions. Subject to the agreement with Davidson Investment Advisors, the Firm may implement reasonable restrictions on the securities or types of securities held in the client's account upon request, including directing Davidson Investment Advisors to not purchase or liquidate certain securities in their account. Each request for an account restriction must be communicated in writing to Davidson Investment Advisors and will be considered in accordance with the Firm's policies and procedures and must be approved by Davidson Investment Advisors in its sole discretion. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. If the request for restrictions is deemed reasonable by Davidson Investment Advisors, the Firm will select replacement securities as appropriate. Note that restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions. Restrictions cannot be placed on securities issued by pooled investment vehicles held in a client's account (e.g., mutual funds, exchange traded funds, etc.).

***Tax Overlay Service*.** For taxable accounts that select Davidson Investment Advisors' Tax Overlay service, the Firm will seek to harvest the tax losses in a client's account to the extent consistent with the selected investment strategy. The Firm will strategically sell relevant securities in your account with unrealized losses. When Davidson Investment Advisors sells this security, it may enable the client to offset taxes on both capital gains and a limited amount of ordinary income. When implementing the Tax Overlay service, Davidson Investment Advisors will harvest tax losses with respect to securities it has recommended, and not necessarily based on other positions in the client's account. The Firm will review the positions in the client's account for tax losses on a quarterly basis; the Firm may change this frequency from time to time without notice. Davidson Investment Advisors' goal is not to maximize overall losses either in the client's account or across all of a client's accounts (managed by the Firm or elsewhere), as the Firm will not necessarily sell all securities with unrealized losses in a particular client account and will also not necessarily sell securities with the greatest aggregate losses in a particular client account. Davidson Investment Advisors will only sell those securities with unrealized losses that it determines are appropriate to be sold at the time. Proceeds from positions sold to harvest losses will be held in cash or an ETF until "wash sale" windows expire.

***Client-Directed Tax Harvesting*.** For taxable accounts, Davidson Investment Advisors will also accept instructions to harvest a specific amount of tax losses or gains, subject to such limitations and procedures as the Firm may establish from time to time. Instructions to harvest tax losses must be provided in writing in the manner prescribed by the Firm. Davidson Investment Advisors will reasonably attempt to fulfill these instructions but may determine that a request is not feasible for a variety of reasons, including but not limited to, the size of the request. Any proceeds from such tax loss sales will be held in cash and will not be reinvested in substitute securities, unless otherwise instructed, which may affect the performance of the account.

***Tax-Aware Transition Service*.** For new accounts coming under Davidson Investment Advisors' management, the Firm offers a Tax-Aware Transition service, whereby Davidson Investment Advisors facilitates tax-optimal transitions of legacy security positions into target investment strategies. This service includes discretionary implementation of trades to maintain with reasonable precision the specified asset allocation of the selected investment strategy, while realizing capital gains associated with legacy positions over multiple (generally 2-3) tax years.

Additional Information Regarding Tax-Related Services. If clients and/or their spouse have other taxable or non-taxable accounts, and the client holds in those accounts any of the securities held in your Davidson Investment Advisors managed account, clients should not buy any security sold at a loss for a period of at least 30 days before or after the Firm sells those same securities as part of a tax-related service offered by the Firm to avoid the possible application of the "wash sale" rules. Clients are responsible for monitoring their (and their spouse's) accounts both under and outside of Davidson Investment Advisors' management to ensure that transactions in the same security or a substantially similar security as the one traded in the client's account managed by the Firm do not create a wash sale.

A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the claimed loss for tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule has the effect of disallowing or postponing losses on a sale if a replacement security is bought within these time periods. If a client has multiple household accounts under Davidson Investment Advisors' management, the Firm will not monitor other household accounts, nor will it monitor any accounts for members of a client's household maintained outside the Firm's management, to ensure that transactions in the same security or a substantially similar security do not create a wash sale. For more information on the wash sale rule, please read IRS Publication 550.

Whether Davidson Investment Advisors' tax-related services are effective in reducing a client's overall tax liability will depend on the client's entire tax and investment profile, including purchases and dispositions in the client's (or their spouse's) accounts outside of Davidson Investment Advisors' management, the nature of the client's investments (e.g., taxable or nontaxable) and their respective holding period (e.g., short-term or long-term). Davidson Investment Advisors will monitor only the account(s) opting into the tax-related service to determine if there are unrealized losses for purposes of determining whether to harvest losses. Transactions in any account other than a client's account, any accounts outside of the Firm's management, or even additional Davidson Investment Advisors-managed accounts may affect whether a loss is successfully harvested. Moreover, in determining whether and how to harvest tax losses, the Firm relies on various assumptions about the tax posture of a typical investor, which assumptions may or may not correspond with the client's actual circumstances.

Davidson Investment Advisors does not employ tax professionals and has not and will not provide tax advice to clients. No employee of Davidson Investment Advisors is qualified or permitted to provide tax advice. Clients should consult a tax professional for specific tax advice and specifically regarding the tax consequences of investing with Davidson Investment Advisors and engaging in tax-related services based on their particular circumstances. No feature of, interaction with, description of, or action taken in accordance with the Firm's management, including tax-related services, represents a tax strategy in the context of a client's individual tax situation and should not replace or supplement the advice of a personal tax advisor. Davidson Investment Advisors is not responsible for ensuring that clients accurately report the trading activity in their account to the IRS or any other relevant taxing authority. The Firm is not responsible to clients for the tax consequences of any transaction in a managed account. Davidson Investment Advisors makes no warranties or guarantees that the tax consequences described herein or in any materials provided to clients in respect to your managed account will be achieved. The Firm also makes no warranty or guarantee that the IRS or other relevant taxing authorities will not challenge the tax consequences of its trades, nor that any such challenge will not be successful. If the IRS is successful in its claim that one or more transactions executed pursuant to the Program were wash sale transactions, any loss recognized on such transactions may be deferred or disallowed, and clients may be subject to the imposition of interest and penalties on such transactions.

ASSETS UNDER MANAGEMENT

As of September 30, 2024, Davidson Investment Advisors, including its Caprin division, managed approximately $4.8 billion in assets on a discretionary basis and $45 million on a non-discretionary basis. Additionally, the Firm provides several investment strategies via a model-based solution to other investment advisers. As of September 30, 2024, Davidson Investment Advisors, including its Caprin division, serviced approximately $1.4 billion in model-based assets, which is not included on the Firm's ADV Part 1.

SCOPE OF SERVICES AND APPLICABLE STANDARDS OF CARE

Advisers Act Fiduciary Duty. As a registered investment adviser, Davidson Investment Advisors is subject to a fiduciary duty under the Investment Advisers Act of 1940 (the "Advisers Act"), which includes both a duty of care and a duty of loyalty (referred to in this Brochure as the "Advisers Act Fiduciary Duty"). This means that the Firm is required to act in the client's best interest when providing investment advice and managing client accounts. The duty of care requires, among other things, for Davidson to seek best execution and to provide advice that is in the client's best interest based on the client's investment objectives, risk level, investment time horizon, financial information and other circumstances (collectively, client's "Investment Profile") or mandate. The duty of loyalty requires the Firm to eliminate or mitigate material conflicts of interest with clients, and to provide full and fair disclosure of such conflicts of interest. The duty also requires Davidson Investment Advisors to provide ongoing monitoring of clients' accounts and its recommendations in advisory accounts.

Special Rules for Retirement Accounts. When it comes to retirement and other qualified accounts, including employer-sponsored plans ("plans"), individual retirement accounts ("IRAs"), SEP IRAs, SIMPLE IRAs, Keogh plans, Coverdell educational savings accounts, and other similar accounts (collectively, "retirement accounts") we are "fiduciaries" under Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code (the "Code"), when we provide investment advice or manage a client's account. ERISA and the Code limit the types of products and services Davidson Investment Advisors can offer and provide with respect to retirement accounts. When making recommendations that clients open, rollover or transfer retirement account assets to an advisory account or change account types, the Firm relies on Prohibited Transaction Exemption ("PTE") 2020-02, which allows Davidson Investment Advisors to earn variable compensation for such recommendations subject to certain conditions. PTE 2020-02 requires Davidson Investment Advisors to act in client's best interest and not put their interest ahead of clients' interests when providing these recommendations ("fiduciary acknowledgement"). Under the PTE 2020-02, Davidson Investment Advisors and its financial professionals must also:

- Meet a professional standard of care (give prudent advice);
- Not put the Firm's financial interests ahead of client's (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that the Firm and its financial professionals give advice that is in client's best interest;
- Charge no more than is reasonable for the Firm's services; and
- Give the client basic information about conflicts of interest.

This fiduciary acknowledgment does not create or modify a contractual obligation, or fiduciary status or obligations under state law. This fiduciary acknowledgement does not apply to federal, state, local, non-US or other types of workplace employee benefit plans that are subject to laws other than ERISA or Section 4975 of the Code.

The above acknowledgement applies solely with respect to the following recommendation ("Covered Recommendation"), as may be applicable:

- Roll Out Recommendation. From time to time, the Firm in coordination with a centralized review team, will provide a written recommendation that client roll out assets from a plan to an IRA.

The above acknowledgement does not apply to other suggestions, recommendations, and services the Firm and its financial professionals provide and are governed exclusively by the terms of clients' other agreements with, and disclosures from, the Firm, as may be applicable. Davidson Investment Advisors refers to these as "Excluded Recommendations and Transactions." Excluded Recommendations and Transactions refer to communications that are not reasonably intended to be viewed or construed as an individualized/personalized suggestion for client to take a particular course of action with respect to their retirement accounts ("General

Information and Education") or that are otherwise not to be treated as a Covered Recommendation under this disclosure, including, but not limited to:

- General Information and Education about the financial markets, asset allocations, financial planning illustrations and the advantages and risks of particular investments;
- General Information and Education materials about issues and alternatives that should be considered when deciding whether to roll out or transfer retirement account assets to the Firm;
- Transfers of retirement assets held at a financial service company other than the Firm (including directly with an investment product sponsor);
- Recommendations about investments in accounts that are not retirement accounts (i.e., taxable accounts);
- Transactions clients enter into without a recommendation from Davidson Investment Advisors or that are contrary to, or inconsistent with, their recommendation;
- Ongoing recommendations of securities or other transactions or discretionary investment advice, except as otherwise agreed to in writing in any applicable agreements or disclosures;
- Recommendations or investment advice that the Firm provides to clients with respect to an account that they have at the Firm, which clients choose to implement in another account or at another financial services company without the Firm's written consent; and
- Recommendations that are not fiduciary "investment advice" as defined in Department of Labor regulation section 2510.3-21 (i.e., investment advice for a fee or other compensation rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for client's investment decision, and that will be individualized to the particular needs of client's retirement account).

The Best Interest Standard and Reasonable Compensation. The best interest standard under both the Advisers Act Fiduciary Duty and PTE 2020-02 does not require that Davidson Investment Advisors guarantee the performance of any investment or that client's investment objectives will be achieved. In addition, Davidson Investment Advisors and its financial professionals may provide recommendations and take actions in connection with the accounts of other clients that may differ from the recommendations and services provided to client. There may be times when Davidson Investment Advisors is legally prohibited from making a recommendation that may be otherwise considered to be in client's best interest, such as due to insider trading. Client understands any recommendations Davidson Investment Advisors, or its financial professionals make will reflect the information client provides to the Firm about their investment objectives, risk level, investment time horizon, financial information and other circumstances and Davidson Investment Advisors will not be responsible for any information client omits or fails to provide, including changes thereto. Davidson Investment Advisors and its financial professionals' recommendations and advice will also reflect any limitations client imposes, including through applicable investment restrictions and guidelines. Clients are responsible for notifying Davidson Investment Advisors and their financial professionals if their investment objectives, risk tolerance and financial circumstances change. Davidson Investment Advisors will not be responsible for clients' decision to invest or transfer their retirement account assets in a manner that is different from, or inconsistent with, Davidson Investment Advisors' recommendations or other advice and guidance, and clients assume the risk of such decision, nor will Davidson Investment Advisors or its financial professionals be responsible for clients' delay in implementing a recommendation.

Reasonable compensation under the retirement laws has generally been determined based on the compensation paid or received in an arm's-length transaction considering the nature and extent of all services (including products, features and benefits) provided. This standard does not require Davidson Investment Advisors to offer its services at the lowest cost, or for the least compensation, in the marketplace, or that it offer its services to clients at the same or lower cost or compensation levels than it offers them to other clients, including similarly situated clients. Certain clients may have negotiated lower fees and compensation for their advisory services than others. By entering into an agreement with Davidson Investment Advisors, clients agree that they believe the fees and other compensation payable for the Firm's services are reasonable in light of the totality of the services provided. If clients decide not to use all or some of the services made available, clients agree the Firm has no obligation or responsibility to reduce or lower its fees and compensation during the period those services are available. If clients want to change the services the Firm makes available to them or has any concerns regarding the level of fees their retirement account pays or Davidson Investment Advisors' compensation, client should contact their financial professional immediately.

Item 5 Fees and Compensation

DESCRIPTION

A client's investment management agreement will set forth the actual compensation the client will pay to Davidson Investment Advisors. A client pays the Firm an asset-based fee, which is an ongoing fee based on the market value of the assets in the account (including cash and cash equivalents) on the last day of the preceding quarter. Davidson Investment Advisors does not have one standard annual fee schedule that is applicable across all strategies but has a fee schedule per strategy and account type. Advisory fees are negotiable. If an account is governed by a sub-advisory or wrap program agreement, the Firm's fees, along with the fees of the program sponsor, and all corresponding rules are the sole responsibility of the program sponsor and are governed by the client agreement with the program sponsor. Below are typical strategy-specific fee schedules applicable to separately managed accounts for which Davidson has trading discretion:

Equity Income Strategy:

Value of assets	Annual Fee
0 - $10m	0.50%
Above $10m	negotiable

Multi-Cap Equity Strategy:

Value of assets	Annual Fee
0 - $10m	0.65%
Above $10m	negotiable

Intermediate Taxable Fixed Income Strategy:

Value of assets	Annual Fee
0 - $10m	0.35%
Above $10m	negotiable

Intermediate Municipal Fixed Income Strategy:

Value of assets	Annual Fee
0 - $10m	0.25%
Above $10m	negotiable

Note: There are exceptions to the above fee construct for a limited number of clients based on legacy relationships and/or supervisory approval.

The typical fee schedule for model provider services to other investment advisers or broker-dealers is 0.30% of the market value of assets invested using Davidson Investment Advisors' models.

ADDITIONAL FEE INFORMATION

How Fees are charged. Fees are generally charged quarterly, in advance, payable on the first day of each calendar quarter. This quarterly fee is calculated based on the market value of assets in the account (including cash and cash-equivalents) on the last business day of the prior quarter. The value of assets held in the client's account will be determined in good faith by the Firm to reflect their fair market value. Depending on the terms of an investment management agreement governed by a sub-advisory or wrap program sponsor, some clients may be charged in arrears and/or monthly. The initial billing period begins when an investment management agreement is signed by the client and accepted by Davidson. If this occurs after the start of a monthly or quarterly billing period, the initial or partial quarter fee will be prorated based on the number of days remaining in the billing period. Clients may choose to have fees deducted directly from their account or be invoiced quarterly.

Services Covered by the Advisory Fees. The fee includes Davidson's investment management and other administrative services.

Service Fees and Expenses NOT Covered by the Advisory Fees. In addition to the Advisory Fees described above, a client may incur other fees and expenses related to the management and servicing of their account. These other fees and expenses include commissions for account transactions, exchange fees, electronic fund and wire transfer fees, margin interest, transfer taxes, redemption fees imposed by a mutual fund company in relation to trading deemed to be excessive, certain fees in connection with the establishment, administration, or termination of retirement or profit-sharing plans or trust accounting, or other costs or fees imposed under applicable laws or regulations. In addition, in connection with the purchase of certain types of securities (such as securities traded over the counter and fixed income securities), the client will bear the cost of any mark-ups, mark-downs and spreads charged by market-makers and dealers.

Investment Fees and Expenses NOT Covered by the Advisory Fees. All Advisory Fees paid to the Firm for investment advisory services provided are in addition to the fees and expenses clients incur with respect to investments held in the accounts, including for assets invested in bank deposit accounts, money market funds, mutual funds, ETFs, and other pooled investments. These fees and expenses are described in each fund's (or other vehicle's) prospectus or offering document and will be borne directly or indirectly by their shareholders. These fees can include fund management fees, administrative fees, omnibus and sub-transfer agent fees, other fund expenses, and potentially a 12b-1 Fee or other marketing, shareholder servicing and distribution charges. By investing in these types of securities, a client is essentially paying multiple layers of fees and expenses on the assets invested.

When investing in mutual funds, including money market funds, a 12b-1 fee may be assessed, depending on the fund selected. 12b-1 fees are sales charges that are incorporated into the expense ratio of the fund. As a matter of the Firm's policy, any new purchases of mutual funds must be in an advisory share class that does not impose a 12b-1 Fee, where such a share class is available. Davidson Investment Advisors does not guarantee clients will always be invested in the most favorable share class offered by a mutual fund company or that more favorable share classes will be made available in advisory accounts. In no case does Davidson Investment Advisors receive compensation from mutual fund companies in which client assets are invested. For client accounts custodied at D.A. Davidson, in the event the Firm receives a 12b-1 Fee in relation to an existing mutual fund position in an advisory account, the Firm will pass on and rebate the fee to the client. For accounts managed by the Firm that are held at custodians other than D.A. Davidson & Co., please refer to the custodian's 12b-1 rebate practices, as Davidson Investment Advisors is unable to rebate any such 12b-1 fees.

Termination of the Advisory Relationship. Either clients or the Firm may terminate an investment management agreement upon ten business day's written notice to the other. Davidson Investment Advisors may also place restrictions on client's account (i) automatically upon notification to the Firm of client's death, or the death of all authorized persons on the account (including trustees), (ii) should a client's balance fall below the minimum balance due to client-initiated withdrawals, or (iii) if a client fails to update or provide any required documentation. In the event Davidson Investment Advisors or a client terminates an account, any prepaid, unearned fees will be refunded. The number of days remaining in the billing period after the effective date of the termination will be considered in determining the amount of any fee reimbursement due to a client.

Purchasing Like Services Outside of an Advisory Relationship. The products and services provided to a client in connection with an advisory account at Davidson Investment Advisors may be separately available to a client outside of the advisory account. Clients are cautioned that, depending on factors such as: the level of fees charged by the executing broker-dealer, the amount of trading activity in the client's account, the value of the client's account, the types of securities held in the client's account, the client's investment strategy, and the level of service sought by the client, the aggregate cost of the client's advisory account may be higher than if the client had selected the services separately. In addition, fees charged by Davidson Investment Advisors may be higher or lower than the fee charged by another firm that offers comparable advisory services.

A client could also invest in a mutual fund directly or through an unaffiliated broker-dealer without Davidson Investment Advisors' services. In that case, the client would not receive the ongoing investment advisory services offered by the Firm through its programs, which are intended, among other things, to assist the client in determining which mutual funds or other securities are most appropriate in considering the client's financial condition and objectives. Moreover, the mutual fund purchased directly by the client may also impose an initial or deferred sales charge. Taking such information into consideration, each client should carefully review and evaluate their investment objectives and risk tolerance, the investment advisory services provided by Davidson

Investment Advisors and other firms, and the costs and expenses charged by such firms, before determining whether to open an advisory account and participate in a Program.

Additional General Fee Information. Davidson Investment Advisors may modify a client's existing fees and/or add additional fees or charges by providing the client thirty (30) days prior written notice. Different fee schedules have been in effect over time, which may have reflected fees that are higher or lower than those currently stated.

Davidson, at its discretion, may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members of associated persons of our Firm.

Item 6 Performance-Based Fees and Side-By-Side Management

Davidson Investment Advisors, Inc. does not charge performance-based fees (i.e. fees based on a share of capital gains or capital appreciation of the client's assets) resulting from the Firm's advisory services.

Item 7 Types of Clients

Davidson Investment Advisors offers its services to all types of current or prospective clients, including, but not limited to: individuals; banks or thrift institutions; pension and profit sharing plans; trusts; estates; charitable organizations; corporations or other business entities; and registered investment companies.

Minimum Account Requirements. A minimum of $100,000 of assets under management is generally required to participate in the Firm's equity strategies. A minimum of $250,000 of assets under management is generally required to participate in the Firm's fixed income strategies. A minimum of $50,000 of assets is required to participate in the Discretionary Program's multi-asset portfolio solutions. These account minimums may be higher or lower under certain circumstances and depending on the portfolio selected as well as program sponsor.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

The Investment Team process leverages one team, with shared responsibility for investment strategy construction, changes to investment strategies, timing, and parameters for implementation, and monitoring and rebalancing the strategies. They conduct due diligence building investment strategies based on an evaluation of the capital markets, current and projected macroeconomic and other conditions and performance of investments over time.

Davidson Investment Advisors utilizes three primary methods of analysis for its investment strategies:

Fundamental Analysis. Davidson Investment Advisors attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the issuer itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements.

Quantitative Analysis. Quantitative analysis uses complex mathematical models and statistics to analyze past events to make investment decisions about security performance (or larger market movements) in the future.

Qualitative Analysis. Qualitative Analysis involves the analysis of unquantifiable information, such as management decisions, to evaluate investment opportunities in the company's securities.

INVESTMENT STRATEGIES

Davidson Investment Advisors offers the following core investment strategies:

Equity Income Strategy. The Equity Income strategy invests in U.S.-traded equities and ETFs, and its primary investment objectives are capital appreciation and income generation. The strategy is actively managed and invests in high-quality companies with solid balance sheets, ample cash flow and a strong competitive position generating attractive return on capital. Key to the investment strategy is our focus on Dividend Power -- looking beyond current dividend yield to include a company's future capacity for dividends. Using a multivariate appraisal process, we assess value across three dimensions (Asset Value, Dividend Power, and Growth Value) to uncover quality companies underappreciated by the broader market.

Multi-Cap Equity Strategy. The Multi-Cap Equity strategy invests in U.S.-traded equities and ETFs, and its primary investment objective is capital appreciation. The strategy is actively managed and unconstrained by market capitalization and style classifications. As fundamental investors, we are cognizant of cyclical and secular dynamics, and focus on profitable companies with attractive return on capital, cash flow and growth prospects. We take active industry positions, with relative position sizes commensurate with risk. Our holdings are diversified by economic sector and adjusted based on where we view the greatest market opportunities.

Intermediate Taxable Fixed Income Strategy. The Intermediate Taxable Fixed Income strategy's primary investment objectives are capital preservation and income generation. The strategy invests in a variety of securities, including U.S. Treasury bonds, corporate bonds, government agency bonds, mortgage-backed securities, and ETFs. The strategy is actively managed and focuses on the intermediate portion of the yield curve. We invest in investment grade or higher issues with maturities ranging from one to ten years. We perform fundamental credit analysis and monitor issuers and credit trends daily. We believe that fixed income assets are best managed actively with respect to duration and credit exposures, as we monitor, anticipate, and respond to changes in the broad economy and the interest rate environment.

Intermediate Municipal Fixed Income Strategy. The Intermediate Municipal strategy's primary investment objectives are capital preservation and tax-exempt income generation. The strategy invests in general obligation and revenue bonds of various municipalities across the U.S., as well as ETFs. The strategy is actively managed and focuses on the intermediate portion of the yield curve, purchasing investment-grade issues with maturities ranging from one to fifteen years. Emphasis is placed on purchasing issues with predictable income and principal stability, while managers also remain aware of resiliency to credit stress, changing interest rates, and market volatility. Given the tax-sensitive nature of the asset class, attention is also paid to the management of portfolio turnover and the opportunity to realize gains or losses as advantageous for clients, as well as Alternative Minimum Tax and state tax considerations.

Davidson Investment Advisors also offers custom and multi-asset portfolio management, which includes, but is not limited to, asset allocation services. We tailor portfolios to client specifications regarding exposure to various asset classes (including, but not limited to, equities, fixed income securities, international securities, alternative investments, and private equity), as well as desired portfolio characteristics (such as quality parameters or cash flow projections). Such specifications may be outlined in an institutional client's Investment Policy Statement (IPS), a document that aligns the objectives of an organization with its financial goals to ensure financial assets support organizational objectives.

For all investment strategies, securities selected for inclusion in client portfolios are monitored using Bloomberg and other available data. Davidson Investment Advisors focuses on long-term investing; ultimately, a portfolio position may be sold once the security has become fully priced by the market, a more favorable investment alternative becomes available, the fundamentals of the issuer deteriorate, or catalysts for growth identified in the due diligence process fail to develop.

RISK OF LOSS

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. The following provides information on specific types of investment risks depending on the type of underlying investments.

Risks for all forms of analysis. Securities analysis methods rely on the assumption that the entities whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis becomes compromised by inaccurate or misleading information.

Investing in any security involves risk of loss that clients should be prepared to bear.

Fundamental Analysis Risk. This method of analysis presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Quantitative Analysis Risk. A risk in using quantitative analysis is that the models used are based on assumptions that may prove to be incorrect.

Qualitative Analysis Risk. A risk of using qualitative analysis is that our subjective judgment proves to be incorrect.

Technical Analysis. Technical analysis involves the use of statistical data, and trends in that data, to identify trading opportunities. Technical analysis does not consider the underlying financial condition of a company, or the intrinsic value of its securities. This type of analysis presents a risk in that a poorly managed or financially unsound company may underperform regardless of larger movements in the market.

Cyclical Analysis. This form of technical analysis involves studying cycles in the economy and financial markets. In this type of technical analysis, the movements of a particular stock are measured relative to the overall market in an attempt to predict the price movement of the security. The risk most commonly associated with this analysis is that the overall measurement is incorrect.

Asset Allocation. A risk of an incorrect asset allocation decision is that the client does not participate in a sharp increase in a particular security, industry, or market sector. Another risk is that the ratio of equities, fixed income, and cash holdings will change over time due to security value and market movements and, if not corrected (i.e., through rebalancing), will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. A common risk of mutual funds and/or ETF analysis is that, as with other securities investments, past performance does not guarantee future results. A manager who has been successful in identifying profitable opportunities among mutual funds may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual fund or ETF, managers of different funds held by the client may purchase the same security, creating concentrated exposure for the client to that security and increasing the risk to the client if that security were to fall in value. There is also a risk of a manager deviating from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Interest Rate Risk*.* Fluctuations in interest rates cause investment prices to fluctuate. For example, bond market values have an inverse relationship to changes in interest rates. Rising interest rates cause bond market values to decline and declining interest rates cause market values to rise. Generally, the longer a bond's maturity, the greater the interest rate risk and the higher its yield. Similarly, equities may also suffer from a rising interest rates.

Market Risk*.* Market risk is the risk of investment losses in a client's account due to a variety of reasons outside of Davidson Investment Advisors' control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, epidemic, pandemic, or social events, independent of the intrinsic valuation of one or more securities in the client's account.

Inflation Risk*.* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Inflation risk is the risk of inflation exceeding or eroding the return of an investment in the client's account.

Currency Risk*.* Among other risks, investments in non-U.S. securities are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk. Currency risk could lead to a loss to a client, for example, when the proceeds from the sale of the non-U.S. security, which may be in a devaluing foreign currency, are converted to a relatively stronger U.S. dollar.

Reinvestment Risk*.* This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (i.e., due to reductions in interest rates). This relates primarily to client account investments in fixed income securities.

Business Risk*.* These risks are associated with a particular industry or 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 of potential profitability than an electric company, which generates its income from a steady stream of customers who buy electricity of the prevailing economic environment.

Liquidity Risk. Liquidity is the ability to readily convert a security into cash. Securities in a client's account are more liquid if many individuals are interested in buying or selling them. For example, Treasury bills are highly liquid, while real estate properties are relatively illiquid. Liquidity risk is therefore the risk that a client will not be able to promptly sell a security due to a limited market for that instrument.

Financial Risk. Excessive borrowing to finance a business' operations may create a degree of stress on the firm to the point of jeopardizing its profitability, and potentially triggering a default on one or more outstanding loans. Depending on the circumstances, such a development could lead to a declining value in the company's securities, or even its bankruptcy.

Global Economic Risk. National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region, or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's investments. Major economic or political disruptions, particularly in large economies, may have negative global economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and have a significant impact on the economy. Such events could materially increase risks, including market and liquidity risk, and significantly reduce account values.

Cybersecurity Risk. Client portfolios are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third-party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially result in in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

Technology Risk. The Firm's investment offerings are dependent upon various computer and telecommunication technologies, many of which are provided by or are dependent on third parties. The successful operation of our Firm could be severely compromised by system or component failure, telecommunication failure, power loss, a software-related system crash, unauthorized system access or use (such as "hacking"), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunication systems or operations could have a material adverse effect on the Firm. Such a material effect may have a heightened impact on the investment strategies, given the automated nature of the services provided.

Item 9 Disciplinary Information

Davidson Investment Advisors does not have any events that are material to a client's or prospective client's evaluation of its advisory business the integrity of its management, including any legal, financial, or disciplinary events that require disclosure.

Item 10 Other Financial Industry Activities and Affiliations

Davidson is a wholly-owned subsidiary of D.A. Davidson Companies, a financial services holding company with other subsidiaries: D.A. Davidson & Co. (also referred to as "D.A. Davidson") and D.A. Davidson Trust Company. D.A. Davidson & Co. is dually registered as a broker-dealer with FINRA (Financial Industry Regulatory Authority) and a registered investment adviser with the SEC and is also a qualified custodian. D.A. Davidson Trust Company is a federal savings bank.

Davidson may recommend clients use D.A. Davidson & Co. and D.A. Davidson Trust Company, related parties, for custody and safekeeping purposes. The client also retains the right to direct Davidson to use another broker. If a client elects to use D.A. Davidson & Co. or D.A. Davidson Trust Company, the client may terminate the arrangement at any time. See additional information in regard to Directed Brokerage under Item 12 – Brokerage Practices.

D.A. Davidson & Co. Financial Professionals may refer clients to Davidson Investment Advisors in its capacities as independent investment adviser participating in D.A. Davidson's advisory programs as described in the D.A. Davidson 2A Wrap Fee Brochure. D.A. Davidson Financial Professionals have an incentive to recommend a Program or an investment manager that is affiliated with D.A. Davidson because the entire client fee is retained by D.A. Davidson Companies. Often the D.A. Davidson Financial Professional remains the client's financial advisor for the Davidson Investment Advisors wrap fee account and is compensated for the referral on an ongoing basis.

Many D.A. Davidson Financial Professionals are also registered representatives of D.A. Davidson in its capacity as a broker-dealer. When acting as a broker-dealer, these financial professionals provide brokerage and related services to clients, including in relation to the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, life insurance policies and annuities, and other products. These broker-dealer recommendations and any subsequent implementation are separate and distinct from the Firm's advisory services. See the D.A. Davidson Regulation Best Interest Disclosure at www.dadavidson.com/Disclosures for more information about D.A. Davidson's Brokerage Services.

Davidson Funds. Davidson previously disclosed in "Advisory Business" (Item 4) of this Brochure that it is the investment adviser to the Davidson Multi-Cap Equity Fund, a fund of the Adviser Series Trust, an investment company registered under the Investment Company Act of 1940. Please refer to these items for a detailed explanation of this relationship and important conflict of interest disclosures.

For additional information, the Fund's Prospectus and Statement of Additional Information are available online at www.davidsonmutualfunds.com. Prospective investors should review these documents carefully before making any investment in the mutual fund.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

Davidson Investment Advisors has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The Firm's Code establishes rules of conduct for all employees and is designed to govern personal securities trading activities in the accounts of employees, among other things. The Code is based upon the principle that Davidson Investment Advisors and its employees owe a fiduciary duty to its clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid: (i) serving their own personal interests ahead of clients (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling us at 800-332-0529.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

As a general practice, Davidson Investment Advisors does not engage in principal transactions.

The Firm's employees are allowed to invest in the same securities recommended to or owned by clients. However, in order to avoid conflicts of interest, all Davidson Investment Advisors employees are required to receive prior approval to trade in personal security accounts.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

D.A. DAVIDSON & CO. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

As previously noted, Davidson Investment Advisors may recommend D.A. Davidson & Co., a related party and broker-dealer, as the qualified custodian for many Davidson Investment Advisor clients. Subject to the requirements of applicable law, D.A. Davidson & Co. may act as principal, buying securities for itself from, or selling securities it owns to, an advisory client, but only on a case-by-case basis with advance written authorization from the client, and when it is in the best interest of a client to do so.

D.A. Davidson & Co.'s policy generally prohibits agency cross transactions for advisory clients, but in rare cases exceptions may be granted. An agency cross transaction is a transaction in which D.A. Davidson & Co. acts as broker for the party or parties on both sides of the transaction. However, no cross transactions may be made in ERISA-covered or IRA advisory accounts. For additional information regarding D.A. Davidson & Co.'s principal trading and agency cross transaction policies, please refer to D.A. Davidson & Co.'s Wrap Fee Program Brochure. You may also request a copy by calling us at 800-332-0529.

Item 12 Brokerage Practices

For clients, Davidson Investment Advisors will determine: (1) which securities are bought and sold; (2) the total amount of such purchases and sales and whether a client's transaction should be aggregated with those of other clients; (3) the broker through which transactions will be executed (with the exception of directed brokerage arrangements, as described later in this section); and (4) the commission rates paid to effect the transactions, as negotiated with the executing broker. Such determinations are made in the good faith judgment of the Firm so that such orders will be placed at prices and commissions that will be in the best interest of the account.

Best Execution. Davidson Investment Advisors has the obligation to seek best execution when it places trades with broker-dealers. Best execution entails the efficient placement of orders, clearance, settlement and the overall quality of execution as well as the cost of the transaction.

Selection of Broker-Dealers. Davidson Investment Advisors considers the full range and quality of the services in selecting or approving broker-dealers to meet best execution obligations which include but are not limited to: ability to provide anonymity; promptness of execution; access to inventory in case of fixed income, or access to multiple centers and alternative networks in case of equities; best available price; competitive bids/offers; adequate backup for the trader; financial stability/business reputation; overall responsiveness, and communication.

Soft Dollars. Consistent with obtaining best execution for clients, the Firm maintains trading arrangements with various broker-dealers whereby it has access to its research. Davidson may direct trades to one of those broker-dealers and pay commissions that are competitive but that are higher than the lowest available rate that another broker might have charged, if Davidson determines in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided.

The provision of such services in exchange for brokerage business is commonly referred to as a "soft dollar arrangement." Research services and products may include tangible research products (publications or writings as to the value of securities, analysis and reports concerning issuers, industries, economic factors and trends), as well as direct access to analysts and traders. This creates an incentive to select or recommend a broker-dealer based on the Firm’s interest in receiving research, rather than clients’ interest in receiving most favorable execution. However, Davidson Investment Advisors has a fiduciary duty to act in the best interest of clients and to obtain best execution for its advisory clients. The Firm does not enter into soft dollar arrangements that are not covered by the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Directed Brokerage. Some clients, when undertaking an advisory relationship, may already have a pre-established relationship with a broker-dealer. Therefore, the client may instruct Davidson to execute all transactions through that broker-dealer. If the client directs Davidson Investment Advisors to use a particular broker-dealer, the client recognizes that Davidson will likely have no authority to negotiate commissions, to obtain volume discounts and best execution may not be achieved. Under these circumstances, there may be a disparity in commissions charged among the Firm’s clients.

Order Aggregation. Davidson Investment Advisors will aggregate client trades where possible and when advantageous to clients. This aggregation of trades permits the trading of blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. All participating accounts receive an average share price for trade execution.

Directed Brokerage in Wrap Programs. Client accounts managed by Davidson Investment Advisors which originate through a Wrap Program ordinarily are directed brokerage accounts. Sponsors of these programs typically charge the program participants a fee which covers the costs of executing transactions for the participants' accounts when such transactions are placed by the program sponsor. Trades not placed by the program sponsor are referred to as "step-out" trades and will incur the client additional trading costs. A Wrap Program client should confer with the program's sponsor and determine that the direction of brokerage provided for under the program is reasonable in view of the benefits received, and that the trade execution provided by the program's sponsor is in the client's best interest.

Davidson Investment Advisors "steps-out" the majority of its trades, since it believes that "step-out" trades are more likely to provide clients, including Wrap Program clients, with best execution and offer a higher degree of liquidity. Since the Firm will frequently trade away from the program sponsor, Wrap Program clients will incur trading costs that are in addition to the fee they pay to the program sponsor.

Trade Rotation. Davidson Investment Advisors employs a trade rotation policy for block trades, by which a rotating, pre-determined order is used to bring clients' shares to the market.

In the event that an aggregated trade takes multiple trading sessions to complete, the overall trade rotation for subsets is adhered to, and allocation of shares is conducted on a random basis using the trade order management system.

Item 13 Review of Accounts

Reviews. Davidson Investment Advisors monitors the underlying securities within each client's account. Depending on the type, accounts are generally reviewed on a quarterly basis or at least on an annual basis. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, political or economic environment.

These accounts are reviewed by various members of the investment team, client service professionals and portfolio administrators.

it is the client's responsibility to advise the Firm of any changes to the information previously provided that might impact the investment strategy or objectives in which they are invested. Davidson Investment Advisors is not responsible for independently verifying information or data provided in a client's initial or subsequent updates to Client's Investment Profile, nor is the Firm responsible for any adverse consequences arising out of client's failure to promptly provide notification. Client understands the integrity and quality of the respective investment management services to be rendered by Davidson Investment Advisors is dependent upon the accuracy of the data and information supplied by client in Client's Investment Profile.

Reports*.* For accounts operating under a direct advisory agreement with Davidson Investment Advisors, the Firm provides written reports to clients on the performance of their account(s) on a quarterly basis. Client performance reports typically include a portfolio valuation, the asset allocation, and account performance. Performance returns include the deduction of advisory fees, transaction costs, and market appreciation or depreciation.

When preparing a client's account statements and performance reports, the Firm relies on third parties, such as third-party quotation services and other custodians when determining the value of account assets. Our Firm does not conduct an in-depth review of valuation information provided by third-party quotation services or other custodians, and it does not verify or guarantee the accuracy of such information. The prices obtained by Davidson Investment Advisors from the third-party quotation services it uses may differ from prices that could be obtained from other sources. If a client has assets held by a third-party custodian, the prices shown on a client's account statement provided by that custodian may be different from the prices shown on statements and reports provided by the Firm due to the use of different valuation sources by the custodian and Davidson Investment Advisors.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Davidson Investment Advisors will from time to time pay referral fees to independent persons or firms, as well as Financial Professionals at D.A. Davidson & Co., a related person and broker-dealer, ("Promoters") for introducing clients to us. Whenever the Firm pays a referral fee, we require the Promoter to provide the prospective client with a copy of this Brochure and a separate disclosure statement that includes: the Promoter's name and relationship with the Firm; the fact that the Promoter is being paid a referral fee; the amount of the fee; and whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Promoter.

As a matter of firm practice, the advisory fees charged to clients referred by Promoters or related parties are not increased as a result of any referral.

OTHER COMPENSATION

It is Davidson Investment Advisors' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Cash Management Program. As mentioned in Item 10 – Other Financial Industry Activities and Affiliations, the Firm may recommend that clients custody assets at D.A. Davidson, a related broker-dealer. Your Davidson Investment Advisors account typically includes an allocation to cash. If D.A. Davidson is selected as the custodian for your account, a Cash Management Program will be utilized, commonly referred to as a "sweep" program, to automatically deposit uninvested cash balances into an interest-bearing account maintained at one or more participating third-party banks (or in limited circumstances to an unaffiliated money market fund) at the end of each business day. Uninvested cash may occur due to, among other things, the sale of securities, dividend payments, interest credited from bonds, and short-term allocations to cash in the account portfolio. Clients affirmatively consent to participation in D.A. Davidson's Cash Management Program by expressly electing it in the account application and signing the account agreement but can revoke this consent at any time by contacting their Financial Professional.

D.A. Davidson receives important and significant compensation and benefits from client use of the Cash Management Program. Because the Advisory Fees are generally charged on cash balances and cash balances generate compensation to D.A. Davidson through the cash management program, D.A. Davidson Companies earn two levels of compensation on such cash balances in Davidson Investment Advisors wrap accounts.

Please review the Cash Management Program Disclosure Statement available on the D.A. Davidson website at dadavidson.com/Disclosures for more information about how the cash management program works, including limitations, restrictions, how changes are implemented and additional discussion of conflicts of interest. For current interest rates applicable to the cash management program see dadavidson.com/What-We-Do/Wealth-Management/Products-Services/Saving-Spending-Solutions/CashManagement-Program.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that when client assets are custodied at our related person, D. A. Davidson & Co., a qualified custodian, advisory fees can be directly debited from client accounts. In some instances, a client appoints a separate custodian to maintain client assets in which advisory fees may also be directly debited with written authorization from the client on file.

As a related person to D.A. Davidson & Co. and D.A. Davidson Trust Company, Davidson is deemed to have indirect custody of some clients' assets. However, all client assets are held with financial institutions known as qualified custodians who are responsible for maintaining the assets and records of those assets.

Clients will receive account statements directly from their qualified custodian. That statement is the official record of your account and the assets contained in it. As previously noted under Item 13, Davidson also delivers statements and reports to clients on the performance of their account. We urge you to compare the information contained in the Davidson quarterly account statements and other reports to the information contained in your official statements for the same period. In the event of a discrepancy between an official account statement and other reports or statements for the holdings and transactions shown, the client's official account statement shall prevail.

Item 16 Investment Discretion

Davidson Investment Advisors receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold; such authority is described in each Advisory Agreement executed by the Firm's clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Item 17 Voting Client Securities

Davidson Investment Advisors votes proxies for discretionary client accounts. Client may retain the right to vote proxies for their own accounts, or to direct the Firm to vote a proxy in a particular manner, so long as the client timely notifies the Firm.

Davidson Investment Advisors has engaged a third-party Proxy Service Vendor to provide proxy voting administrative duties and proxy voting recommendations from another third-party Proxy Advisory Form ("Proxy Advisor"). The Proxy Advisor recommendations are pre-populated into the Proxy Service Vendor's electronic voting platform, and are automatically executed pursuant to the Proxy Advisor's recommendations. However, the Firm reserves the right to exercise its own judgment on a case-by-case basis, to serve its clients' best interests once it has determined that such a vote would not involve an identified firm-related conflict of interest. In these situations, Davidson Investment Advisors will generally vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses, and for incentive compensation that would align management interests with shareholder interests, including stock-based compensation and restricted stock award programs. Corporate governance issues, however, are diverse and continually evolving and these general policies may not be relevant in some circumstances.

An Investment Adviser Proxy Voting Committee (the "Committee"), with members including senior personnel from Davidson Investment Advisors and other D.A. Davidson Companies' subsidiaries, meets periodically. The Committee monitors the Firm's overall adherence to and effectiveness of the Firm's proxy voting policies and procedures. It reviews the rationale for some proxy votes that are not covered by the policies and procedures, or that present a potential conflict of interest. It also reviews the internal controls and independence of the third-party vendors on no less than an annual basis. The Committee periodically reviews policies and procedures and provides advice for revisions thereof.

A summary of Davidson Investment Advisors' proxy voting policies and procedures can be found on the Internet at www.dadavidson.com/Disclosures or a copy of the policies can be mailed, free of charge, at client's request to the following address: Davidson Investment Advisors, Compliance Department, 8 Third Street North, Great Falls, MT, 59401.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Davidson Investment Advisors by telephone, email, or in writing.

Conflicts of Interest. Davidson Investment Advisors and its supervised persons have various conflicts in relation to voting client proxies, which may include personal investments, outside activities, personal relationships, and management of investment accounts for or on behalf of publicly traded companies. Davidson Investment Advisors believes, however, that its retention of the Proxy Service Vendor, use of the Proxy Advisor Firm recommendations, it's adherence to its proxy voting policies and procedures and oversight by the Proxy Voting Committee help to ensure proxies are voted in the best interest of the Firm's clients.

Class Action Notices. Davidson Investment Advisors will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

We are also required to disclose any financial condition that is likely to impair our ability to meet our contractual obligations. Davidson Investment Advisors, Inc. has no additional financial circumstances to report.

Davidson Investment Advisors, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

Under no circumstances do we require or solicit payment of fees in excess of $1,200 more than six months in advance of services rendered.

Part 2A Appendix 1 of Form ADV

Wrap Fee Program Brochure

D.A. Davidson & Co.
8 Third Street North
Great Falls, MT 59401
800-332-5915

dadavidson.com

December 20, 2024

This wrap fee program brochure provides information about the qualifications and business practices of D.A. Davidson & Co. If you have any questions about the contents of this brochure, please contact us at 406-727-4200 or 800-332-5915.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about D.A. Davidson & Co. is available on the SEC's website at adviserinfo.sec.gov. You can search that site by our firm's CRD number, which is 199.

Item 2 Material Changes

A summary of the material changes made to the D.A. Davidson & Co. (“D.A. Davidson”) ADV Part 2A-1 Wrap Fee Program brochure (the “Brochure”) will be published in a separate document that will be distributed to clients who received the previous version of the Brochure and continue to have an advisory account with D.A. Davidson.

Item 3 Table of Contents

Item 4 Services, Fees and Compensation

D.A. Davidson & Co. ("D.A. Davidson" or "the Firm") is a dually registered investment adviser and broker-dealer with its principal place of business located in Great Falls, Montana. This ADV Part 2A-1 Wrap Fee Program brochure (the "Brochure") describes the services, fees and other compensation, conflicts of interest, and other information clients should consider regarding D.A. Davidson's investment advisory wrap fee programs (each, a "Program" and collectively, the "Programs"). Clients should contact their Financial Advisor with any questions.

The information included in this Brochure is current as of the date of this Brochure and is subject to change at D.A. Davidson's discretion. Clients should retain this Brochure for their records. D.A. Davidson also offers Financial Planning Services and Retirement Plan Services. Each of these services are described in a separate D.A. Davidson ADV Part 2 Firm brochure. Clients may obtain a copy of that brochure by mailing a request to 8 Third Street North, Great Falls, MT 59401, Attn: Compliance Department, or by calling 406-727-4200 or 800-332-5915.

SCOPE OF SERVICES AND APPLICABLE STANDARDS OF CARE

Advisers Act Fiduciary Duty. As a registered investment adviser D.A. Davidson is subject to a fiduciary duty under the Investment Advisers Act of 1940 (the "Advisers Act"), which includes both a duty of care and a duty of loyalty (referred to in this Brochure as the "Advisers Act Fiduciary Duty"). This means D.A. Davidson and D.A. Davidson's registered investment advisor representatives (each, a "Financial Advisor," and collectively, "Financial Advisors") are required to act in the client's best interest when providing investment advice and managing the client's Program account. The duty of care requires, among other things, for D.A. Davidson and its Financial Advisors to seek best execution and to provide advice that is in the client's best interest based on the client's investment objectives, risk level, investment time horizon, financial information, and other circumstances (collectively, client's "Investment Profile") or mandate. The duty of loyalty requires D.A. Davidson to provide full and fair disclosure of, and obtain client's consent to, conflicts of interest. The duties also require D.A. Davidson to monitor Program accounts, subject to the terms and limitations of each Program.

Special Rules for Retirement Accounts. When it comes to retirement and other qualified accounts, including employer-sponsored plans ("plans"), individual retirement accounts ("IRAs"), SEP IRAs, SIMPLE IRAs, Keogh plans, Coverdell education savings accounts, and other similar accounts (collectively, "retirement accounts") we are "fiduciaries" under Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code (the "Code"), when we provide investment advice or manage the client's Program account. ERISA and the Code limit the types of products and services D.A. Davidson can offer and provide with respect to retirement accounts.

When making recommendations that clients open, rollover or transfer retirement account assets to a Program account, change account types, and regarding the Program, portfolio and investment manager, the Firm relies on Prohibited Transaction Exemption ("PTE") 2020-02, which allows D.A. Davidson and its Financial Advisors to earn variable compensation for such recommendations subject to certain conditions. PTE 2020-02 requires D.A. Davidson to act in the client's best interest and not put their interest ahead of clients' interests when providing these recommendations. Under the PTE 2020-02, D.A. Davidson and its Financial Advisors must also:

- Meet a professional standard of care (give prudent advice);
- Not put the Firm's financial interests ahead of client's (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that the Firm and its Financial Advisors give advice that is in client's best interest;
- Charge no more than is reasonable for the Firm's services; and
- Give the client basic information about conflicts of interest.

This fiduciary acknowledgment does not create or modify a contractual obligation, or fiduciary status or obligations under state law. This fiduciary acknowledgement does not apply to federal, state, local, non-US or other types of workplace employee benefit plans that are subject to laws other than ERISA or Section 4975 of the Code.

The above acknowledgement applies solely with respect to the following recommendations for advisory accounts ("Covered Recommendations"), as may be applicable:

- Roll Out Recommendations. From time to time, the Firm in coordination with client's Financial Advisors (and a centralized review team) will provide a written recommendation that client roll out assets from a plan to an IRA.
- Account Type Recommendations at Our Firm. From time to time, the Firm or client's Financial Advisors will recommend that client open a brokerage or advisory IRA, transfer money between brokerage and advisory IRAs, or transfer money from one Program or portfolio to another within an advisory IRA. Under the Firm's

Programs the Financial Advisors may recommend that client engage the services of an investment manager for their advisory IRA, which may include one of D.A. Davidson's affiliates.

The above acknowledgement does not apply to other suggestions, recommendations, and services the Firm and its Financial Advisors provide, and are governed exclusively by the terms of clients' other agreements with, and disclosures from, the Firm, as may be applicable. D.A. Davidson refers to these as "Excluded Recommendations and Transactions." Excluded Recommendations and Transactions refer to communications that are not reasonably intended to be viewed or construed as an individualized/personalized suggestion for client to take a particular course of action with respect to their retirement accounts ("General Information and Education") or that are otherwise not to be treated as Covered Recommendations under this disclosure, including, but not limited to:

- General Information and Education about the financial markets, asset allocations, financial planning illustrations and the advantages and risks of particular investments;
- General Information and Education materials about issues and alternatives that should be considered when deciding whether to roll out or transfer retirement account assets to the Firm;
- Transfers of IRA assets held at a financial service company other than the Firm (including directly with an investment product sponsor);
- Recommendations about investments in accounts that are not retirement accounts (i.e., taxable accounts) client maintains with D.A. Davidson or accounts held at other financial institutions;
- Transactions clients enter into without a recommendation from D.A. Davidson or its Financial Advisors, or that are contrary to, or inconsistent with, their recommendation;
- Ongoing recommendations of securities or other transactions or discretionary investment advice through a Program (other than Account Type Recommendations), except as otherwise agreed to in writing in such Program's applicable agreements or disclosures;
- Recommendations or investment advice that the Firm provides to clients with respect to an account that they have at the Firm, which clients choose to implement in another account or at another financial services company without the Firm's written consent; and
- Recommendations that are not fiduciary "investment advice" as defined in Department of Labor regulation section 2510.3-21 (i.e., investment advice for a fee or other compensation rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for client's investment decision, and that will be individualized to the particular needs of client's retirement account)

The Best Interest Standard and Reasonable Compensation. The best interest standard under both the Advisers Act Fiduciary Duty and PTE 2020-02 does not require that D.A. Davidson guarantee the performance of any investment or that client's investment objectives will be achieved. In addition, D.A. Davidson and its Financial Advisors may provide recommendations and take actions in connection with the accounts of other clients that may differ from the recommendations and services provided to client. There may be times when D.A. Davidson is legally prohibited from making a recommendation that may be otherwise considered to be in client's best interest, such as due to insider trading. Client understands any recommendations D.A. Davidson or its Financial Advisors make will reflect the information client provides to the Firm about their investment objectives, risk level, investment time horizon, financial information and other circumstances and D.A. Davidson will not be responsible for any information client omits or fails to provide, including changes thereto. D.A. Davidson and its Financial Advisors recommendations and advice will also reflect any limitations client imposes, including through applicable investment restrictions and guidelines. Clients are responsible for notifying D.A. Davidson and their Financial Advisors if their investment objectives, risk tolerance and financial circumstances change. D.A. Davidson and its Financial Advisors will not be responsible for clients' decision to invest or transfer their IRA or employer sponsored retirement plan assets in a manner that is different from, or inconsistent with, D.A. Davidson's recommendations or other advice and guidance, and clients assume the risk of such decision, nor will D.A. Davidson or its Financial Advisors be responsible for clients' delay in implementing a recommendation.

Reasonable compensation under the retirement laws has generally been determined based on the compensation paid or received in an arm's-length transaction considering the nature and extent of all services (including products, features and benefits) provided. This standard does not require D.A. Davidson to offer its services at the lowest cost, or for the least compensation, in the marketplace, or that it offer its services to clients at the same or lower cost or compensation levels than it offers to other clients, including similarly situated clients. Certain clients may have negotiated lower fees and compensation for their accounts than those that apply to client's Program account. By entering into an agreement with D.A. Davidson, client agrees that they believe the fees and other compensation payable for the Firm's services are reasonable in light of the totality of the services provided. If client decides not to use all or some of the services made available, client agrees the Firm has no obligation or responsibility to reduce or lower its fees and compensation during the period those services are available. If client wants to change the services the Firm makes available to them or has any concerns regarding the level of fees their retirement account pays or D.A. Davidson's compensation, client should contact their Financial Advisors immediately.

PORTFOLIO MANAGEMENT SERVICES

D.A. Davidson sponsors various “wrap fee” Programs, which are described in detail in this Brochure. The term “wrap fee” means D.A. Davidson charges clients an annual fee based on the market value of assets in the client’s account for advisory and most trading execution services. The wrap fee covers investment advice provided by D.A. Davidson’s investment professionals and/or the client’s Financial Advisor, portfolio management services, the execution of client transactions, custody services, account servicing, reporting, monitoring, rebalancing and other services. It also covers the additional fees paid to investment managers utilized in the applicable Program, the Davidson platform fee (as defined below), and D.A. Davidson’s costs for administering the Program.

A recommendation to open or move to an advisory account would be made under the Advisors Act Fiduciary Duty (and for retirement accounts under PTE 2020-02) based on the client’s Investment Profile because the advisory account services and features include one or more of the following: investment management, ongoing account monitoring, periodic rebalancing, financial planning (including estate, wealth or retirement planning), access to affiliated/third-party managers; and the asset-based costs associated with D.A. Davidson’s advisory program(s) are justified by these services and features. The client understands, acknowledges, and agrees the integrity and quality of the recommendations made to the client and ongoing investment management services depends on the accuracy of the information provided by the client, including the client’s Investment Profile.

Alternatively, clients may choose not to enroll in a wrap fee Program and instead to open a brokerage account which charges clients a commission for each transaction undertaken in the account rather than an annual fee. Brokerage accounts at D.A. Davidson do not provide the portfolio management services, monitoring or rebalancing described above. In a brokerage account, the total costs will generally increase or decrease based on the frequency of transactions in the account and the type of securities purchased. A recommendation to open or move to a brokerage account would be made under Regulation Best Interest (and for retirement accounts, also under PTE 2020-02) based on the client’s Investment Profile. The brokerage account services and features include one or more of the following: no account minimums, fees paid on a transactional basis, the ability to maintain concentrated and illiquid positions or certain investments and strategies, the ability to direct their own transactions; and the transaction-based costs associated with a D.A. Davidson brokerage account are justified by these services and features.

Clients are encouraged to carefully consider the differences between brokerage and investment advisory services including D.A. Davidson’s obligations, costs, and the need for the services provided. For additional information, please review the Firm’s Form Client Relationship Summary (“Form CRS”), which provides information about the differences between brokerage accounts and advisory accounts (including Program accounts). Generally, the Firm and its financial professionals have an incentive to recommend investment advisory accounts over brokerage accounts because the Firm and Financial Advisors receive higher fees for advisory accounts than brokerage accounts, and higher fees for some Programs than others. The Firm requires its Financial Advisors to consider a number of factors when recommending an account type, or a change in account type, including, but not limited to, the client’s Investment Profile; whether client is tax-sensitive and needs professional tax-management solutions; client’s investment experience and/or engagement level (i.e., desire and availability to be involved and informed on investment decisions); and client’s anticipated frequency of trading. This is intended to help ensure that the Firm’s account type recommendations to clients are reasonably expected to be cost-effective choices in light of their investment services and needs. Additionally, the Firm does not impose requirements on how many accounts a Financial Advisors must have that are brokerage accounts or advisory accounts, nor incentivize the decision through a different compensation grid.

The Programs D.A. Davidson offers are mostly discretionary (collectively, “Discretionary Programs”) with one Program that is non-discretionary. The Discretionary Programs are: (1) Managed Funds Portfolios (“MFP”); (2) Russell Model Strategies (“RMS”); (3) Separate Account Management (“SAM”); (4) Managed Account Consulting (“MAC”); (5) Unified Managed Account (“UMA”); (6) Paragon; and (7) Paragon CWAM. In the Discretionary Programs client appoints and authorizes D.A. Davidson, its Financial Advisors, Envestnet (defined below) or a third-party investment manager or sub-manager to make investment decisions with respect to the assets in the client’s Program account (including trading authority to buy, sell, or hold securities and the timing of these actions without notice to the client). In the non-discretionary Program, referred to as Choice, client appoints D.A. Davidson to provide investment advice and recommendations for the assets in the client’s Program account, but the client retains full authority over the decisions (including the authority to buy, sell, or hold securities and the timing of these actions).

D.A. Davidson has engaged Envestnet Asset Management, Inc. (“Envestnet”) to act as a platform manager for client’s Program account at the direction of D.A. Davidson, its Financial Advisors or a third-party investment manager or sub-manager (depending on the Program selected) and pays Envestnet for these services. Detailed information regarding each of the Programs that utilize Envestnet is provided in this Brochure. Clients can find information about Envestnet through their disclosure brochure, which is provided when enrolling in the Programs that utilize Envestnet and is available by searching for Envestnet Asset Management at: adviserinfo.sec.gov.

Program Enrollment. Not all Programs, portfolios, and investment managers (as applicable to the SAM, MAC and UMA Programs) are appropriate for each client. Each Program utilizes a different mix of securities among stocks, bonds, mutual funds, exchange traded funds, unit investment trusts ("UITs"), options, alternative investments and/or structured notes. Each Program is designed to meet differing investment needs and have different levels of services, administration, fees, and expenses. A Financial Advisor will work with clients to recommend a Program, portfolio and investment manager (as applicable to the SAM, MAC and UMA Programs) that is in the client's best interest based on both the client's Investment Profile and other preferences they have for the advisory account. Not every Financial Advisor can offer the Choice, UMA Discretion, Paragon, or Paragon CWAM Programs. D.A. Davidson requires its Financial Advisors meet applicable standards set forth by self-regulatory organizations relating to licensing, registration, and continuing education, including successful completion of either the Series 65 or Series 66 and Series 7 exams, as well as internal education and Program requirements.

The Financial Advisor will typically present the Program information to the client with an investment proposal that identifies the specific portfolio model recommended to the client based on the client's Investment Profile along with the proposed asset allocation and investments to be held in the account. If the client wishes to proceed with the Program, the client will enter into a written Advisory Agreement, which contains specific terms applicable to the client's advisory relationship with D.A. Davidson (including those regarding custody, brokerage, and administrative services). Information regarding our brokerage services is provided in Item 9 below under Brokerage Practices. In addition, the client will receive a written confirmation (called a "Statement of Investment Selection") on the opening of their investment advisory account(s), the selected Program, fee schedule and other important account information.

If the client informs D.A. Davidson of any material changes to the information in their Investment Profile, the Financial Advisor will evaluate the updated information and make changes or recommendations as appropriate to help ensure the Program, portfolio, or investment manager (as applicable to the SAM, MAC and UMA Programs) is in line with the client's Investment Profile and other preference they have for the advisory account. The Financial Advisor is also responsible for annually contacting the client to assess whether there are any updates to the client's information that would impact their selected Program, portfolio, or investment manager (as applicable to the SAM, MAC, and UMA Programs). The client is responsible for promptly communicating any material changes in the client's financial situation, Investment Profile, or other account information to D.A. Davidson. Information regarding this process is provided in Item 9 below under Review of Accounts.

WRAP FEE PROGRAMS

Managed Funds Portfolios ("MFP")

Program and Roles. The MFP Program offers clients an investment strategy of asset allocation and portfolio investments from a series of proprietary strategic asset allocation model portfolios constructed by D.A. Davidson. Client's assets will thereafter be managed and implemented in accordance with the agreed upon model portfolio.

D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account.

Portfolio Construction and Composition. D.A. Davidson uses a variety of mutual funds, exchange traded funds ("ETFs"), and/or exchange traded notes ("ETNs") available on the D.A. Davidson platform to build a portfolio of diversified holdings appropriate for clients enrolled in the MFP Program. The MFP Program will use all or a subset of these investments to construct the model portfolios. The MFP Program aims to provide diversification through exposure to different asset classes (such as equities, fixed income, and alternative investments) and investment strategies (such as growth, and income) based on the investment philosophy of D.A. Davidson.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The MFP Program does not allow for D.A. Davidson affiliated funds to be selected. More information on the investment selection process undertaken in the MFP Program and the various strategies available is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about mutual funds, ETFs and ETNs, clients should speak with their Financial Advisor.

Davidson Investment Advisers ("DIA"), a D.A. Davidson affiliated investment advisor, also creates certain model portfolios for D.A. Davidson's use in the MFP Program.

Monitoring and Rebalancing. D.A. Davidson reviews the MFP models quarterly and considers whether, based on market fluctuations and other factors, making adjustments to the models is appropriate. Once changes are deemed appropriate, D.A. Davidson delegates Envestnet to implement the changes to client's Program account without prior notice to the client (including regarding the timing of these changes).

Client's Program account is monitored daily for deposits and withdrawals (of cash or securities) that cause the assets to deviate over time from the model portfolio. When such deviations become materially significant, the client's Program account will be rebalanced to align it more closely with the model portfolio.

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such request must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the Platform Manager based on the parameters set by the investment manager. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure, the D.A. Davidson Financial Advisor's 2B Brochure Supplement. These documents provide detailed information about the MFP Program and the D.A. Davidson Financial Advisor. Once enrolled clients will receive monthly/quarterly account statements/reports.

Russell Investments Model Strategies ("RMS")

Program and Roles. The RMS Program offers clients an investment strategy of asset allocation and portfolio investments from a series of model portfolios that are constructed by Russell Investments. Client's assets will thereafter be managed and implemented in accordance with the agreed upon model portfolio.

Russell Investments retains all discretion regarding the model construction and changes to the models, while D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account.

Portfolio Construction and Composition. Russell Investments uses a variety of mutual funds, ETFs and ETNs, some of which are in the Russell Investment Funds family to build a portfolio of diversified holdings appropriate for clients enrolled in the RMS Program. Russell Investments will use all or a subset of these investments to construct the client's portfolio. The RMS Program aims to provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of Russell Investments.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The RMS Program does not allow for D.A. Davidson affiliated funds to be selected. More information on the investment selection process undertaken in the RMS Program and the various strategies available is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about mutual funds, clients should speak with their Financial Advisor.

Monitoring and Rebalancing. Russell Investments reviews the RMS models periodically and considers whether, based on market fluctuations and other factors, making adjustments to the models is appropriate. Once changes are deemed appropriate, D.A. Davidson delegates Envestnet to implement the changes to client's Program account without prior notice to the client (including regarding the timing of these changes).

Client's Program account is monitored daily for deposits and withdrawals (of cash or securities) that cause the assets to deviate over time from the model portfolio. When such deviations become materially significant, the client's Program account will be rebalanced to align it more closely with the model portfolio.

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such request must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the Platform Manager based on the parameters set by the investment manager. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure and the D.A. Davidson Financial Advisor's 2B Brochure Supplement. These documents provide information about the RMS Program (referred to as the Fund Strategist Program in the Envestnet 2A ADV Disclosure Brochure). Once enrolled clients will receive monthly/quarterly account statements/reports.

Separate Account Management ("SAM")

Program and Roles. The SAM Program is offered in two versions: (1) SAM MF/ETF Single Strategy (referred to in this Brochure as "SAM Model") and (2) SAM Equity/Fixed Single Strategy (referred to in this Brochure as "SAM Manager" (together with SAM Model, the "SAM Program").

SAM Model offers clients an investment strategy of asset allocation and portfolio investments from a series of model portfolios that are constructed by an investment manager that is unaffiliated with D.A. Davidson. Client's assets are thereafter managed and implemented in accordance with the agreed upon model portfolio. The investment manager retains all discretion regarding the model construction and changes to the models, while D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account.

SAM Manager offers clients an investment strategy of asset allocation and portfolio investments by an investment manager. These investment managers are typically third parties (unaffiliated with D.A. Davidson), but there are also portfolios in SAM Manager that are constructed by D.A. Davidson's Wealth Management Research Department and Davidson Investment Advisers ("DIA"), a D.A. Davidson affiliated investment adviser. Client's assets are thereafter managed and implemented in accordance with the agreed upon portfolio. The role of implementing, executing, monitoring, and rebalancing the client's Program account depends on the investment manager selected and is disclosed to clients in the Statement of Investment Selection. If the investment manager is designated as an Envestnet Model Provider "EMP" in the Statement of Investment Selection, D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account. If the investment manager is not designated as an Envestnet Model Provider "EMP" in the Statement of Investment Selection, the investment manager implements, executes, monitors, and rebalances the client's Program account and retains all discretion. Except when DIA or D.A. Davidson's Wealth Management Research team are the investment managers, neither D.A. Davidson nor Envestnet has influence or control over the investment manager's investment decisions.

Financial Advisors recommend available investment managers to clients for the SAM Program based on a review and selection process conducted by either D.A. Davidson or Envestnet's PMC research teams and the Financial Advisor's independent evaluation, which is described in Item 6 below under Portfolio Manager Selection and Evaluation. D.A. Davidson has sole discretion to terminate an investment manager from the SAM Program, in which case enrolled clients will be notified. Because both D.A. Davidson's Wealth Management Research Department and DIA are investment managers available in SAM Manager, when either are recommended for a client it creates a conflict of interest, which is described in Item 6 below under Portfolio Manager Selection and Evaluation: Use of Affiliated Funds and Investment Management by Affiliated and Related Persons.

Portfolio Construction and Composition. SAM Model investment managers are limited to utilizing mutual funds and ETFs, while SAM Manager investment managers can use a variety of investments, including stocks, bonds, mutual funds, ETFs, ETNs, options, and closed-end funds to build a portfolio of diversified holdings appropriate for clients enrolled in the SAM Program. The SAM Program will use all or a subset of these investments to construct the client's portfolio.

The SAM Program will aim to provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of the investment manager and the client's specific facts and circumstances.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ. The SAM Program does not allow for D.A. Davidson affiliated funds to be selected.

More information on the investment selection process undertaken in SAM Model is provided in Item 6 below under Portfolio Manager Selection and Evaluation. Clients that participate in SAM Manager will receive the disclosure brochure for the investment manager that describes the various strategies available. For more information about stocks, bonds, mutual funds, ETFs, ETNs, options, and closed-end funds, clients should speak with their Financial Advisor.

Monitoring and Rebalancing. For SAM Model, the investment manager reviews the models periodically and considers whether, based on market fluctuations and other factors, making adjustments to the models is appropriate. Once changes are deemed appropriate, D.A. Davidson delegates Envestnet to implement the changes to client's Program account without prior notice to the client (including regarding the timing of these changes). Client's Program account is monitored daily for deposits and withdrawals (of cash or securities) that cause the assets to deviate over time from the model portfolio. When such deviations become materially significant, the client's Program account will be rebalanced to align it more closely with the model portfolio.

For SAM Manager, the role of monitoring and rebalancing the client's Program account depends on the investment manager selected and is disclosed to clients in the Statement of Investment Selection. If the investment manager is designated as an Envestnet Model Provider "EMP" in the Statement of Investment Selection, the investment manager reviews the portfolios periodically and considers whether, based on market fluctuations and other factors, making adjustments is appropriate. Once changes are deemed appropriate, D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account. If the investment manager is not designated as an Envestnet Model Provider "EMP" in the Statement of Investment Selection, the investment manager constructs, monitors, and rebalances the client's portfolio in accordance with their policies and procedures and as disclosed in the investment manager's ADV 2A Disclosure Brochure. Once changes are deemed appropriate, the investment manager implements, executes, monitors, and rebalances the client's Program account and retains all discretion. Except when DIA or D.A. Davidson's Wealth Management Research team are the investment managers, neither D.A. Davidson nor Envestnet has influence or control over the investment manager's investment decisions.

Reasonable Investment Restrictions.

For SAM Model and SAM Manager, a client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account including with regard to specific securities or industry sectors. Any such requests must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the investment manager (in their sole discretion) or Platform Manager (based on the parameters set by the investment manager), as appropriate.

This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment in SAM Model and SAM Manager when the investment manager is designated as an EMP, clients will receive this Brochure, the D.A. Davidson Financial Advisor's 2B Brochure Supplement and the Envestnet 2A ADV Disclosure Brochure. Upon enrollment in SAM Manager when the investment manager is not designated as an EMP, clients will receive this Brochure, the D.A. Davidson Financial Advisor's 2B Brochure Supplement, the Envestnet 2A ADV Disclosure Brochure, and the investment manager's 2A and 2B ADV Disclosure Brochure. These documents provide detailed information about the SAM Program and the D.A. Davidson Financial Advisor. Once enrolled clients will receive monthly/quarterly account statements/reports.

Managed Account Consulting ("MAC")

Program and Roles. The MAC Program offers clients the opportunity to hire or retain a third-party investment manager of their choosing, whether by recommendation from their Financial Advisor or otherwise. The client enters into separate Advisory Agreements with both D.A. Davidson and the third-party investment manager, commonly referred to as a "dual contract" arrangement. Under this arrangement, the third-party investment manager offers clients an investment strategy of asset allocation and portfolio investments customized to client and implements, executes, monitors, and rebalances the client's Program account. The advisory agreement with the third-party investment manager (to which D.A. Davidson is not a party) sets forth, among other things, the responsibilities of that manager to the client, and generally governs the relationship between the client and the third-party investment manager. The Advisory Agreement with D.A. Davidson covers consultation services (i.e., helping the client evaluate the third-party investment advisor initially and on an ongoing basis), custody, brokerage, and administrative services.

The Envestnet platform is not utilized for this Program. The third-party investment manager retains all discretion regarding the model construction, changes to the models, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account. D.A. Davidson conducts a limited review and selection process for the third-party investment managers available for participation in the MAC Program, which is described in Item 6 below under Portfolio Manager Selection and Evaluation. D.A. Davidson does not manage the account and does not otherwise have any influence or control over the third-party investment manager's investment strategy, investment or trading decisions, or security selection in and on behalf of the client's Program account. D.A. Davidson also does not assume responsibility for the performance of the third-party investment manager selected by the client. In the MAC Program, after the client retains a third-party investment manager, D.A. Davidson has no obligation to provide any recommendations, advice, or counsel as to the management of assets in the Program account. D.A. Davidson will remove a third-party investment manager from managing the client's account and facilitate termination of the dual contract only if directed by the client to do so. D.A. Davidson, in its sole discretion, retains the right to remove any third-party investment manager from the Program and will notify impacted clients accordingly.

Portfolio Construction and Composition. The third-party investment manager can use a variety of investments including stocks, bonds, mutual funds, ETFs, ETNs and closed-end funds to build a portfolio of diversified holdings appropriate for clients enrolled in the MAC Program. The investment manager will use all or a subset of these investments to construct the portfolios. The MAC Program will aim to provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of the third-party manager and the client's specific facts and circumstances.

The MAC Program allows the investment manager to select investments from the universe of stocks, bonds, mutual funds, ETFs, ETNs and closed-end funds available on the D.A. Davidson platform. Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The MAC Program does not allow for D.A. Davidson affiliated funds or affiliated managers to be selected. Clients that participate in the MAC Program will receive the disclosure brochure for the third-party investment manager that describes the various strategies available. For more information about stocks, bonds, mutual funds, ETFs, ETNs, and closed-end funds, clients should speak with their Financial Advisor.

Monitoring and Rebalancing. For the MAC Program, the third-party investment manager constructs, monitors and rebalances the client's customized portfolio in accordance with their policies and procedures and as disclosed in the third-party investment manager's disclosure brochure. Once changes are deemed appropriate, they are implemented to client's Program account at the third-party investment manager's discretion without prior notice to the client (including regarding the timing of these changes). D.A. Davidson has no influence or control over the third-party investment manager's investment decisions.

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such requests must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the investment manager, in their sole discretion. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure, the D.A. Davidson Financial Advisor's 2B Brochure Supplement and the third-party manager's 2A ADV Disclosure Brochure (directly from the third-party investment manager). These documents provide detailed information about the MAC Program, the D.A. Davidson Financial Advisor and the third-party investment manager. Once enrolled clients will receive monthly/quarterly account statements/reports.

Unified Managed Account ("UMA")

Program and Roles. The UMA Program is available in three versions: (1) UMA Select, (2) UMA Discretion, and (3) UMA Guided,

UMA Select and UMA Discretion offer clients a portfolio constructed by D.A. Davidson and its Financial Advisor using a combination of the following investment sleeves: MFP model (as described above), SAM Model (as described above), SAM Manager (as described above), and individual mutual funds, ETFs and ETNs selected by the Financial Advisor. In UMA Select, the Financial Advisor will recommend the investment sleeves, investment manager(s) and client's portfolio/model but will obtain client's consent before implementing or making any changes. In UMA Discretion, the Financial Advisor will choose and implement the investment sleeves, investment managers, and client's portfolio/model, without obtaining the client's consent before implementation or making any changes. Note that certain investment managers that are available in SAM are not available in UMA Select or UMA Discretion.

UMA Guided offers clients a portfolio constructed and managed by Envestnet's Private Wealth Consulting Service ("PWC Service"), using the research, portfolio construction and investment decisions of Portfolio Management Consultants ("PMC"). UMA Guided offers a custom multi-manager portfolio with access to multiple asset managers, mutual funds, and ETFs, representing various asset classes. In UMA Guided, D.A. Davidson will appoint PWC Services (and in turn PMC) to choose and implement the investment sleeves, investment managers and portfolio/model based on the clients target investment profile and risk tolerance. PWC Services will not obtain the client's consent before implementing or making any changes.

Discretionary changes in investment sleeves could result in changes to the Management Fee in UMA Discretion up to a maximum of .75% and in UMA Guided up to a maximum of .90% (as defined in this Item 4 below) without client's consent or prior notification. This means that the Financial Advisor (in UMA Discretion) can make discretionary decisions that can impact client's fee at any time. For UMA Guided, PWC Services can make discretionary changes that can impact client's fee at any time. Clients should review their monthly statement for fee information.

In UMA Guided, models provided by PWC are considered proprietary Envestnet PMC models. These offerings may incorporate PMC proprietary strategies, mutual funds and ETFs, for which Envestnet acts as the investment advisor. This creates a conflict of interest for Envestnet in its selection of strategies, mutual funds and ETFs because it allows Envestnet to earn both the Management Fee on the assets and any additional fees associated with your investment into the strategies, mutual funds and ETFs. To mitigate this conflict, Envestnet does not collect a portion (up to .15% depending on the investment amount) of the Management Fee (as defined below) for the assets of your UMA Guided account invested in these proprietary strategies, mutual funds and ETFs.

For UMA Guided, D.A. Davidson delegates Envestnet as the platform manager to implement, execute, monitor, and rebalance the client's Program account, both with regard to the overall portfolio and for each investment sleeve.

For each of the following investment sleeves available in UMA Select and UMA Discretion: MFP model, SAM Model, SAM Manager, the operations regarding the Programs and Roles, Portfolio Construction and Composition, Monitoring and Rebalancing, and Reasonable Investment Restrictions function as described under the respective Program descriptions above. For individual mutual fund and individual ETF sleeves, your Financial Advisor can select from D.A. Davidson's Supervised Mutual Fund and ETF Research List, described further in Item 6 below under Portfolio Manager Selection and Evaluation.

For UMA Guided: see the Envestnet 2A ADV Disclosure Brochure for information regarding the operations of the program, portfolio construction and composition, monitoring, rebalancing, and reasonable investment restrictions.

DIA, a D.A. Davidson affiliated investment adviser, is one of the investment managers available in UMA Select. DIA is only available in UMA Discretion on an exception basis; however, DIA is not available for retirement accounts in the UMA Discretion Program. When DIA is selected for a client, this creates a conflict of interest, which is described in Item 6 below under Portfolio Manager Selection and Evaluation: Use of Affiliated Funds and Investment Management by Affiliated and Related Persons. DIA is not available for UMA Guided.

Portfolio Construction and Composition. As noted above, for each of the following investment sleeves available in UMA Select and UMA Discretion: MFP model, SAM Model, SAM Manager, Portfolio Construction and Composition operate as described under the respective Program descriptions above and mutual fund and ETFs are selected from D.A. Davidson's Supervised Mutual Fund and ETF Research List.

To construct the overall portfolio (i.e., the investment sleeves and portfolio/model of each sleeve) D.A. Davidson and the Financial Advisor will aim to provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on their investment philosophy and the client's specific facts, objectives and circumstances.

For UMA Guided: see the Envestnet 2A ADV Disclosure Brochure for information regarding portfolio construction and composition.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ. The UMA Program does not allow for D.A. Davidson affiliated funds to be selected. More information on the investment selection process undertaken to create the pre-approved list of individual mutual funds and individual ETFs is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about stocks, bonds, mutual funds, ETFs, ETNs, and closed-end funds, clients should speak with their Financial Advisor.

Monitoring and Rebalancing. As noted above, for each of the following investment sleeves available in UMA Select and UMA Discretion: MFP model, RMS model, SAM Model, SAM Manager, Monitoring and Rebalancing operates as described under the respective Program descriptions above.

In UMA Select and UMA Discretion, the client's Program account is monitored daily for deposits and withdrawals (of cash or securities) that cause the assets to deviate over time from the overall portfolio (including allocations to individual mutual funds and ETFs). When such deviations become materially significant, the client's Program account will be rebalanced to align it more closely with the overall portfolio. Additionally, client accounts will be reviewed annually to determine if rebalancing is necessary if account has not been rebalanced as a result of other portfolio changes.

For UMA Guided: see the Envestnet 2A ADV Disclosure Brochure for information regarding monitoring and rebalancing.

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such requests must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the investment manager (in their sole discretion) or Platform Manager (based on the parameters set by the investment manager). This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Tax Overlay and Impact Overlay Services. An optional tax overlay management service is available in the UMA Program for an additional fee for portfolios that meet certain qualifications. In addition, an optional impact overlay management service-based impact investing criteria is available for an additional fee. Envestnet operates both overlay services in accordance with their policies and procedures and as described in the Envestnet 2A Disclosure Brochure. For more information about the Tax Overlay and Impact Overlay Services contact your Financial Advisor.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure, the D.A. Davidson Financial Advisor's 2B Brochure Supplement and the Envestnet 2A ADV Disclosure Brochure. Clients enrolled in a SAM Manager sleeve when the investment manager is not designated as an Envestnet Model Provider will also receive the investment manager's ADV 2A and 2B Disclosure Brochure. These documents provide detailed information about the UMA Program, the D.A. Davidson Financial Advisor, and the investment managers (as applicable). Once enrolled clients will receive monthly/quarterly account statements/reports.

Paragon

Program and Roles. The Paragon Program offers clients an investment strategy of asset allocation and portfolio investments customized to the client by a D.A. Davidson Financial Advisor who has been approved to participate in the Paragon Program as an investment manager (each, a "Paragon Manager"). The Paragon Manager uses tools available at D.A. Davidson to implement, execute, monitor, and rebalance the client's Program account. The Paragon Manager retains all discretion regarding the portfolio construction, changes to the portfolios, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account. Paragon Managers are D.A. Davidson Financial Advisors that act as both investment manager and Financial Advisor to their clients. D.A. Davidson conducts an approval process for the Paragon Managers, supervises the Paragon Managers, and determines Paragon Security and Transaction Parameters, all of which are described in Item 6 below under Portfolio Manager Selection and Evaluation.

Portfolio Construction and Composition. Paragon Managers can use a variety of investments, including stocks, bonds, mutual funds (including alternative strategy mutual funds), ETFs, ETNs, alternative investments, unit investment trusts ("UITs"), including buffered UITs, options, and advisory variable annuities available on the D.A. Davidson platform to build a portfolio of diversified holdings appropriate for clients enrolled in the Paragon Program. The Paragon Manager will use all or a subset of these investments to construct the client's portfolio, however, as described under Methods of Analysis and Strategies by Program: Paragon in Item 6 below, at the discretion of D.A. Davidson's Managed Asset Department, certain Financial Advisors may be granted limited exceptions to hold security positions that would otherwise be ineligible under the Paragon Program. The Paragon Program can provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of the Paragon Manager and the client's Investment Profile and other specific facts and circumstances (including facts and circumstances about other accounts with D.A. Davidson that are held by the client or eligible members of the client's household). Each Paragon Manager has a written investment discipline that describes their investment philosophy and strategies they use. Clients should speak with the Paragon Manager regarding how their Paragon Manager will manage the client's account.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The Paragon Program allows clients to purchase Davidson affiliated mutual funds, for which DIA serves as the investment adviser, except within retirement accounts. Since DIA and D.A. Davidson are affiliates, this creates a conflict of interest by allowing the D.A. Davidson family of companies to receive two levels of fees. D.A. Davidson addresses these conflicts of interest by disclosing them in this Brochure. Further information regarding these conflicts and D.A. Davidson and its Affiliates is provided in Item 9 below under Additional Information and Other Financial Industry Affiliates and Activities.

More information on the methods of analysis for investment strategies undertaken in the Paragon Program is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about stocks, bonds, mutual funds (including alternative strategy mutual funds), ETFs, ETNs, alternative investments, UITs, options, and advisory variable annuities clients should speak with their Financial Advisor.

Monitoring and Rebalancing. Paragon Managers review client's portfolios at least annually and consider whether, based on market fluctuations and other factors, making adjustments to the asset allocations and investment selections are appropriate. Once changes are deemed appropriate, they are implemented to client's Program account at the Financial Advisors discretion without prior notice to the client (including regarding the timing of these changes).

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such request must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the Financial Advisor in their sole discretion. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure and the Financial Advisor's 2B Brochure Supplement, which provide detailed information about the Paragon Program and the D.A. Davidson Financial Advisor. Once enrolled clients will receive monthly/quarterly account statements/reports.

Paragon CWAM

Program and Roles. A limited number of D.A. Davidson Financial Advisors can recommend that client's account be invested into specific portfolios developed by a few Financial Advisors formerly associated with Crowell Weedon & Co. ("Crowell Weedon") prior to its acquisition by D.A. Davidson Companies in August 2013 (managers, the "CWAM Manager" and portfolios, the "CWAM Portfolios"). After the closing of that acquisition, the businesses conducted by Crowell Weedon were combined and are now operated as a part of D.A. Davidson.

The CWAM Manager offers clients an investment strategy of asset allocation and portfolio investments from a series of model portfolios that they construct and manage. Client's assets will thereafter be managed and implemented by the CWAM Manager in accordance with the agreed upon model portfolio. The CWAM Manager uses tools available at D.A. Davidson to implement, execute, monitor, and rebalance the client's Program account. The CWAM Manager retains all discretion regarding the portfolio construction, changes to the portfolios, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account. CWAM Managers are D.A. Davidson Financial Advisors that are approved to be and supervised as Paragon Managers, which in certain cases means that they act as both investment manager and Financial Advisor to their clients. Paragon CWAM is also subject to the Paragon Program parameters determined by D.A. Davidson.

Portfolio Construction and Composition. CWAM Managers can use a variety of investments, including stocks, bonds, mutual funds, ETFs, ETNs, alternative investments, UITs, options, and advisory variable annuities to build portfolios of diversified holdings appropriate for clients enrolled in the Paragon CWAM Program. The CWAM Manager will use all or a subset of these investments to construct the model portfolios. Paragon CWAM can provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of the CWAM Manager. Each CWAM Manager has a written investment discipline that describes their investment philosophy and strategies they use. Clients should speak with their Financial Advisor regarding how their CWAM Manager will manage the client's account.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The Paragon CWAM Program allows clients to purchase Davidson affiliated mutual funds, for which DIA serves as the investment adviser, except within retirement accounts. Since DIA and D.A. Davidson are affiliates, this creates a conflict of interest by allowing the D.A. Davidson family of companies to receive two levels of fees. D.A. Davidson addresses these conflicts of interest by disclosing them in this Brochure. Further information regarding these conflicts and D.A. Davidson and its Affiliates is provided in Item 9 below under Additional Information, and Other Financial Industry Affiliates and Activities.

More information on the investment selection process undertaken in the Paragon CWAM Program is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about stocks, bonds, mutual funds, ETFs, ETNs, alternative investments, UITs, options, and advisory variable annuities clients should speak with their Financial Advisor.

Monitoring and Rebalancing. CWAM Managers review the CWAM Portfolios periodically and considers whether, based on market fluctuations and other factors, making adjustments to the models is appropriate. Once changes are deemed appropriate, they are implemented to client's Program account at the CWAM Manager's discretion without prior notice to the client (including regarding the timing of these changes).

Reasonable Investment Restrictions. A client may contact their Financial Advisor to request a reasonable investment restriction on the management of their Program account, including with regard to specific securities or industry sectors. Any such request must be communicated to D.A. Davidson in writing and will be considered for approval or denial by the CWAM Manager in their sole discretion. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure, the Financial Advisor's 2B Brochure Supplement, and the CWAM Manager's 2B Brochure Supplement, which provide detailed information about the Paragon CWAM Program, the D.A. Davidson Financial Advisor and the CWAM Manager. Once enrolled clients will receive monthly/quarterly account statements/reports.

Choice

Program and Roles. The Choice Program offers clients an investment strategy of asset allocation and portfolio investments customized to the client by a D.A. Davidson Financial Advisor. In the Choice Program client appoints D.A. Davidson to provide investment advice and recommendations for the assets in the client's Program account, but the client retains full authority over the decisions (including the authority to buy, sell, or hold securities and the timing of these actions). Neither D.A. Davidson nor a Financial Advisor has investment discretion and may not buy or sell securities in connection with a client account without their consent. The Financial Advisor uses tools available at D.A. Davidson to implement, execute, monitor, and rebalance the client's Program account.

In the Choice Program, the client enters into an agreement with D.A. Davidson for the provision of non-discretionary advisory, custody, brokerage, and administrative services. Based on information in the client's Investment Profile, a Financial Advisor advises the client on the selection of an appropriate investment strategy, which includes security selection and general asset allocation, and which may include advice on financial planning and other wealth management topics. The client has sole discretion to make investment decisions in relation to the account, including, for example, the decision whether to accept or reject an investment strategy, or whether to purchase or sell particular securities, recommended by the Financial Advisor. The Choice Program is not intended to permit a client to direct the purchase of securities in their account, but rather to approve purchases recommended by the Financial Advisor.

Portfolio Construction and Composition. Financial Advisors can use a variety of investments, including stocks, bonds, mutual funds (including alternative strategy mutual funds), ETFs, ETNs, alternative investments, UITs (including buffered UITs), options, and advisory variable annuities available on the D.A. Davidson platform to build a portfolio of diversified holdings appropriate for clients enrolled in the Choice Program. The Financial Advisor will use all or a subset of these investments to construct the client's portfolio, however, as described under Methods of Analysis and Strategies by Program: Choice in Item 6 below, at the discretion of D.A. Davidson's Managed Asset Department, certain Financial Advisors may be granted limited exceptions to hold security positions that would otherwise be ineligible under the Paragon Program. The Choice Program can provide diversification through exposure to different asset classes (such as equities, fixed income, multi assets and alternative investments) and investment strategies (growth and income) based on the investment philosophy of the Financial Advisor and the client's specific facts and circumstances.

Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses and initial investment minimums differ.

The Choice Program allows clients to purchase Davidson affiliated mutual funds, for which DIA serves as the investment adviser, except within retirement accounts. Since DIA and D.A. Davidson are affiliates, this creates a conflict of interest by allowing the D.A. Davidson family of companies to receive two levels of fees. D.A. Davidson addresses these conflicts of interest by disclosing them in this Brochure. Further information regarding these conflicts and D.A. Davidson and its Affiliates is provided in Item 9 below under Additional Information and Other Financial Industry Affiliates and Activities.

More information on the methods of analysis for investment strategies undertaken in the Choice Program is provided in Item 6 below under Portfolio Manager Selection and Evaluation. For more information about stocks, bonds, mutual funds (including alternative strategy mutual funds), ETFs, ETNs, alternative investments, UITs (including buffered UITs), options, and advisory variable annuities clients should speak with their Financial Advisor.

Monitoring and Rebalancing. Financial Advisors review client's portfolios at least annually and consider whether, based on market fluctuations and other factors, making adjustments to the asset allocations and investment selections are appropriate. Once changes are deemed appropriate, they are reviewed with the client before being implemented to client's Program account.

Reasonable Investment Restrictions. A client may contact their financial advisor to request a reasonable investment restriction on their Program account, including with regard to specific securities or industry sectors. Any such request must be communicated to D.A. Davidson in writing and will be considered for approval or by the Financial Advisor in their sole discretion. This option, however, is not intended to permit a client to direct the purchase of certain securities or types of securities in their account. Restrictions placed on an account may positively or negatively affect account performance and may cause the account to perform differently (including worse) than a like account with no restrictions.

Documents Clients Receive. Upon enrollment, clients will receive this Brochure and the D.A. Davidson Financial Advisor's 2B Brochure Supplement, which provide detailed information about the Choice Program and the D.A. Davidson Financial Advisor. Once enrolled clients will receive monthly/quarterly account statements/reports.

ADDITIONAL PROGRAM INFORMATION

Custody and Trade Execution. Generally, D.A. Davidson serves as custodian for client assets in the Programs. However, in some cases D.A. Davidson, in its sole discretion, may permit clients to custody their assets at another financial institution acceptable to D.A. Davidson (each, an "Outside Custody Arrangement"). This arrangement would only be considered for clients in the Paragon and Choice Programs. Typically, for Outside Custody Arrangements, the client will pay a separate custody fee to the custodian of those assets in addition to a Total Annual Fee (as defined below) paid to D.A. Davidson for investment advisory services and enter into a separate Custodial Agreement with that custodian.

For accounts custodied at D.A. Davidson, the Firm will also provide execution services for the client's securities transactions in accordance with D.A. Davidson's brokerage practices described in Item 9 below under Brokerage Practices.

If a Financial Advisor recommends a client invest a portion of their assets in advisory variable annuities or alternative investments, the broker-dealer selected by the insurance carrier or issuer of the product will maintain custody of the underlying funds for advisory variable annuity sub accounts, or underlying assets for alternative investments, respectively.

Tax Consequences. Transactions executed for and on behalf of a client's account may have positive or negative tax consequences for a client. In exercising investment discretion in relation to accounts and otherwise providing investment management services to clients through the Programs, D.A. Davidson may consider specific tax-related information communicated by clients. However, D.A. Davidson does not employ tax professionals, has not, and will not provide tax advice to clients. D.A. Davidson is not responsible for ensuring that clients accurately report the trading activities in their Program account to the IRS or any other relevant taxing authority. D.A. Davidson is not responsible for the tax consequences of any transaction affecting a client as a result of investment decisions made on behalf of the client's account by either D.A. Davidson or any other person (including the Platform Manager, or investment manager), including, for example, after the client has communicated tax-specific information to their Financial Advisor. D.A. Davidson recommends, prior to opening any account, which is eligible to participate in one of the Programs, clients should consult with their tax advisor to identify and consider the tax consequences of the strategy to be pursued through their accounts.

Use of Margin. Margin (i.e., borrowing to purchase additional securities in an advisory account) is prohibited. However, the assets in a clients non-qualified advisory account may be used as collateral for a margin balance held within a separate brokerage account. Using an advisory account as collateral in this manner comes with certain risks and disadvantages, such as (i) requiring clients to provide additional funds to their non-qualified advisory account, which, if not done, can result in a liquidation of all or some of the assets in clients' non-qualified advisory account and if the assets are in a discretionary account, such liquidation decisions will be made by the Financial Advisor at their discretion and without prior notice to clients; and (ii) any margin account balance in a non-qualified advisory account will be included in the calculation of clients' Total Annual Fee (as defined below), which, when considered along with the margin interest clients pay, may result in higher overall fees to clients and higher compensation to D.A. Davidson and its Financial Advisors; (iii) the incremental fees paid to D.A. Davidson may be significantly higher than in the absence of margin or than might otherwise be paid pursuant to a standard margin arrangement with us or another broker-dealer.

Please read the Margin Disclosure closely before engaging in margin activities. Clients should also note that use of margin is generally intended to fund additional purchases of securities. If client wishes to obtain a loan for some other purpose, client should instead consider whether they are eligible for Securities-Based Lending, which involves clients obtaining loans from third-party lenders for general use purposes.

Securities-Based Lending. D.A. Davidson can refer qualifying clients to borrow money from a third-party lender (the "Lender") under Davidson's Securities-Based Lending Program (the "Loan"). The Loan can be used for any personal or business purpose other than to purchase, carry or trade securities. The Loan is secured by the assets in a client's non-qualified advisory and/or brokerage account(s).

Any referral by D.A. Davidson and its Financial Advisor made to a Lender or for a Loan is an ancillary service and not part of our Programs or advisory services. The Financial Advisor can educate clients about the Loan, act as an intermediary between the client and the Lender, but does not recommend the Loan, a draw down on the Loan or otherwise act in a fiduciary capacity with regard to the Loan. The Financial Advisor also will not provide advice or oversee any such lending arrangement.

Clients considering a loan should refer to the disclosure titled Important Considerations for Liquidity Needs available at dadavidson.com/Disclosures for more educational information about liquidity options, including considerations for taking the Loan, compensation received by D.A. Davidson for making the referral and associated conflicts of interest.

FEES

Program Fee. The client will typically pay an ongoing annual fee established as a percentage of the market value of assets in the account as of a particular measurement date ("asset-based fee"). The total "wrap fee" consists of the following components which makes up the "Total Annual Fee": (1) an annual asset-based advisory fee paid to D.A. Davidson ("Davidson Advisory Fee"); and (2) an annual asset-based manager fee paid directly to an investment manager, which may include a platform fee retained by D.A. Davidson, for SAM, UMA and Paragon CWAM ("Management Fee"). Client's specific Total Annual Fee is provided upon enrollment in a Statement of Investment Selection.

The Total Annual Fee varies among Programs as follows:

Program	Davidson Advisory Fee	Management Fee
MFP	Negotiable up to 1.85%	N/A
RMS	Negotiable up to 1.85%	0.02%
MAC	Negotiable up to 1.85%	Negotiable
SAM Model	Negotiable up to 1.85%	0.07% - 0.60% (including a .02%-0.15% platform fee to D.A. Davidson)
SAM Manager	Negotiable up to 1.85%	0.14% - 0.57% (including a 0.02%-0.15% platform fee to D.A. Davidson)
UMA Select and UMA Discretion	Negotiable up to 1.85%	0.15% - 0.75% (including a 0.15% platform fee to D.A. Davidson)
UMA Guided	Negotiable up to 1.85%	0.28% - 0.90% (including a 0.05% platform fee to D.A. Davidson)
Paragon	Negotiable up to 1.85%	N/A
Paragon CWAM	Negotiable up to 1.85%	Negotiable up to 0.50% (with total Davidson Advisory Fee combined with Management Fee not to exceed 1.85%)
Choice	Negotiable up to 1.85%	N/A

Note: There are exceptions to the above fee construct for a limited number of clients based on legacy relationships and/or supervisory approval ("Exception Fee Arrangements").

D.A. Davidson Advisory Fee. The Davidson Advisory Fee is negotiated and determined based upon a number of factors. The Financial Advisor may consider the value of the assets across accounts in one household participating in one or more Programs, subject to certain restrictions, the services expected to be provided to the client, the types of assets being deposited in the account participating in the relevant Program, the composition of the account (i.e., whether the account holds or mostly holds equity securities or fixed income securities), and the nature of the client relationship. In general, the greater the value of assets a client has invested through one or more Programs, the lower the Davidson Advisory Fee will be. However, because the Advisory Fee is individually negotiated, not all clients with the same amount of assets will be charged the same fee in the same Program. Clients should ensure their Financial Advisor is aware of all assets held at D.A. Davidson when negotiating the D.A. Davidson Advisory Fee. D.A. Davidson may approve a Financial Advisor to charge a fee rate higher than 1.85% from time to time in consideration of the services to be provided to a client.

Allowing the Financial Advisor to determine the Davidson Advisory Fee creates a conflict of interest because the Financial Advisor is incentivized to increase their compensation by setting a higher fee for client's Program account.

Management Fees. The specific Management Fee within the range noted above for SAM and UMA is determined through a separate Management Fee schedule and is based upon the investment manager and/or model selected for the client. Each model and investment manager is priced differently based upon the composition of the account and the fee is not negotiable.

D.A. Davidson is typically not responsible for determining and setting these fees, except when DIA (a D.A. Davidson affiliate) or D.A. Davidson Wealth Management Research is the investment manager for SAM Manager. For further information about the conflicts of interest created by the use of D.A. Davidson portfolios and investment managers see Portfolio Manager Selection and Evaluation: Use of Affiliated Funds and Investment Management by Affiliated and Related Persons under Item 6 below.

A portion of the Management Fee is retained by D.A. Davidson to support the use of the Envestnet platform for these Programs (the "platform fee"). This presents a conflict of interest because it incentives D.A. Davidson to recommend the Programs that pay it a platform fee, and specifically a higher platform fee, above others that do not pay D.A. Davidson a platform fee or pay a lower platform fee. We mitigate this conflict by not sharing the platform fees with our Financial Advisors and paying a portion of that fee to Envestnet.

When the D.A. Davidson Wealth Management Research portfolios are selected in SAM Manager, both the D.A. Davidson Advisory Fee and the platform fee portion of the Management Fee are charged to the client and retained by D.A. Davidson. There is no additional Management Fee charged to clients.

The Paragon CWAM Portfolios are often recommended by the CWAM Managers (i.e., Financial Advisors that develop these portfolios) who are also approved to be Paragon Managers. This creates a conflict of interest because these Financial Advisors have an opportunity to negotiate a higher Total Annual Fee for using the CWAM Portfolios. D.A. Davidson mitigates the risk by not allowing the Total Annual Fee (along with the 50 basis point Management Fee for the Paragon CWAM Program) to exceed the 1.85% maximum Davidson Advisory Fee for any Paragon CWAM accounts opened after August 2013 (unless they are subject to an Exception Fee Arrangement).

As described in UMA Guided in this Item 4 above, Envestnet does not collect the portion (up to .15% depending on the investment amount) of the Management Fee for the assets of your UMA Guided account invested in Envestnet's proprietary strategies, mutual funds and ETFs.

Optional Tax Overlay and Impact Overlay Service for UMA. As described in this Item above under UMA, optional tax and impact overlay management services are available in the UMA Program for an additional fee. Clients that select either or both of these services will be charged an asset-based fee of 0.08% in addition to the Total Annual Fee.

ADDITIONAL FEE INFORMATION

How Fees are Charged. Unless D.A. Davidson has agreed otherwise (in writing), the Total Annual Fee is calculated and charged quarterly, in advance, payable on the first day of each calendar quarter. The quarterly fee is calculated based on the market value of the assets in the account (including cash and cash-equivalents) on the last business day of the prior quarter, the portion of the applicable Total Annual Fee rate based on the actual number of days in the quarter, and a 365 day year (366 days in the case of a leap year). The value of assets held in the Program account will be determined in good faith by D.A. Davidson to reflect their fair market value. The initial billing period begins when an Advisory Agreement is signed by the client and accepted and executed by D.A. Davidson. If this occurs after the start of a quarterly billing period, the initial or partial quarter fee will be prorated based on the number of days remaining in the current calendar quarter. Typically, fees are automatically debited from the client's account, and billed in accordance with the terms set forth in the client's Advisory Agreement. Fees may be paid with other billing arrangements if agreed upon separately. Under Exception Fee Arrangements, the client may be charged in arrears and/or monthly in accordance with their specific Advisory Agreement or certain assets could be excluded from the Total Annual Fee calculation.

Cash Balances. A portion of client's account may be held in cash through the cash management program (which is further described under Item 9 below). D.A. Davidson (and its affiliates) receive important and significant compensation and benefits from client use of the cash management program. If D.A. Davidson did not receive such compensation, which is in addition to the Total Annual Fee, the Total Annual Fee would generally be higher.

The Total Annual Fee applies to cash balances. Because the Total Annual Fee is generally charged on cash balances and cash balances generate compensation to D.A. Davidson through the cash management program, D.A. Davidson (and its affiliates) earn two layers of compensation on such cash balances in client advisory accounts. To mitigate this conflict of interest, for portfolios where D.A. Davidson or its Financial Advisors act as an investment manager (i.e., the MFP, Paragon, Paragon CWAM, Choice, and D.A. Davidson Wealth Management Research portfolios under SAM Manager), as of January 1, 2024, no more than 5% of the account is permitted to be held in cash for more than 90 consecutive days.

The amount invested in cash differs among Programs and among Financial Advisors. Account performance is impacted by cash allocations. Under most market conditions, cash allocations result in lower overall portfolio performance as most other asset classes typically outperform cash over time. Any cash in the client's account is typically swept into the cash management program for which D.A. Davidson, but not the Financial Advisor, earns additional compensation. This creates a conflict of interest as described in Item 9 below under Other Compensation.

Services and Expenses Covered by the Total Annual Fee. As described above, the Total Annual Fee covers investment advice provided by D.A. Davidson's investment professionals and/or the client's Financial Advisor, portfolio management services, the execution of client transactions, custody services, account servicing, reporting, monitoring, rebalancing and other services. It also covers the additional fees paid to investment managers utilized in the applicable Program, the D.A. Davidson platform fee, and D.A. Davidson's costs for administering the Program.

Service Fees and Expenses <u>Not</u> Covered by the Total Annual Fee. The Total Annual Fee does not include certain charges, such as retirement account fees, trust fees, exchange fees, currency conversion fees, transfer fees, or other service fees. For accounts with a margin debit (only available in Paragon, Paragon CWAM and Choice), D.A. Davidson charges a fee on the gross value of securities in the account and the client also pays the margin interest on the debit balance in the account. In accounts where custody of assets is with a firm other than D.A. Davidson, the client will pay other custody, transaction, and administrative fees, in accordance with the terms of their account agreements.

In addition to the Total Annual Fee described above, a client may incur other fees and expenses related to the management and servicing of their account. These other fees and expenses include those related to odd-lot differentials, exchange fees, electronic fund and wire transfer fees, margin interest, transfer taxes, redemption fees imposed by a mutual fund company in relation to trading deemed to be excessive, certain fees in connection with the establishment, administration, or termination of retirement or profit-sharing plans or trust accounting, or other costs or fees imposed under applicable laws or regulations. IRAs participating in a Program will incur an annual IRA maintenance fee. In addition, in connection with the purchase of certain types of securities (such as securities traded over-the-counter and fixed income securities), the client will bear the cost of any mark-ups, mark-downs and spreads charged by market-makers and dealers. Also, if a transaction in a client account is executed away from D.A. Davidson (a "step out" trade) other charges may also be incurred. Further information relating to transactions executed away from D.A. Davidson is provided in Item 9 below under Brokerage Practices.

Investment Fees and Expenses Not Covered by the Total Annual Fee.

All fees paid to D.A. Davidson for investment advisory services provided through the Programs are in addition to the fees and expenses clients incur with respect to investments held in Program accounts, including for Program assets invested in bank deposit accounts, money market funds, mutual funds, ETFs, alternative investments, advisory variable annuities, and private investment partnerships and other pooled investments. These fees and expenses are described in each fund's (or other vehicle's) prospectus or offering document and will be borne directly or indirectly by their shareholders. These fees can include fund management fees, administrative fees, omnibus and sub-transfer agent fees, other fund expenses, and potentially a 12b-1 Fee or other marketing, shareholder servicing and distribution charges. Note, however, the sub-transfer agent fees are not charged on qualified advisory accounts. By investing in these types of securities, a client is essentially paying multiple layers of fees and expenses on the assets invested.

When investments are made in D.A. Davidson affiliated funds, these additional fees are retained by DIA, a D.A. Davidson affiliate. D.A. Davidson has an incentive to permit Program accounts to invest in D.A. Davidson affiliated funds because that would result in more money being retained by the D.A. Davidson family of companies. D.A. Davidson only allows D.A. Davidson affiliated funds to be used in the Paragon, Paragon CWAM and Choice Program accounts that are not retirement accounts. The compensation Financial Advisors receive does not differ depending on whether D.A. Davidson affiliated funds are selected for the client's account.

When investments are made in third-party funds, D.A. Davidson or an affiliate retains compensation for services to the fund or its sponsor, including revenue sharing, omnibus recordkeeping, sub-transfer agency fees and other compensation for administrative services. Note, however, the sub-transfer agent fees are not retained by D.A. Davidson on qualified advisory accounts. D.A. Davidson has an incentive to invest Program account asset in funds that pay this compensation and that pay this compensation in greater amounts, because doing so results in additional compensation to the D.A. Davidson family of companies. The compensation Financial Advisors receive does not differ depending on whether funds that pay additional compensation are selected for the client's account.

Because D.A. Davidson may receive distribution and shareholder servicing revenue as a result of investments in mutual funds in client accounts, and to the extent that this revenue varies based on the mutual fund or the share class selected, D.A. Davidson has a conflict of interest with respect to the variations in such revenue. As a matter of D.A. Davidson's policy, any new purchases of mutual funds in a Program account must be in an advisory share class that does not impose a 12b-1 Fee, where such a share class is available. In the event D.A. Davidson receives a 12b-1 Fee in relation to an existing mutual fund position in an advisory account, the Firm will pass on and rebate the fee to the client. D.A. Davidson does not guarantee clients will always be invested in the most favorable share class offered by a mutual fund company or that more favorable share classes will be made available in advisory accounts. Further information relating to fees and expenses is provided in Item 9 below under Brokerage Practices and Other Compensation.

In the case of annuity or insurance products available in the Paragon, Paragon CWAM and Choice Programs, clients will pay two levels of fees: the Total Annual Fee paid directly to D.A. Davidson and the Financial Advisor, and a fee(s) paid indirectly to the annuity or insurance carrier. These additional fees to the annuity and insurance carrier would include mortality and expense, administrative fees, and underlying fund expenses. Other fees for optional benefits and riders may also be assessed. As noted below clients may purchase annuity products and other securities outside of the advisory programs offered by D.A. Davidson and avoid D.A. Davidson's Total Annual Fee.

Payments to Third Parties. For the RMS, SAM, and UMA Programs, D.A. Davidson pays a portion of the Total Annual Fee received from the client to an investment manager and/or Envestnet, as the case may be, for services provided to the client through the relevant Program(s). These payments may change from time to time without notice to clients. Only for UMA Select will clients be notified in advance of any change resulting in a change to the client's Total Annual Fee. The payments to these third parties vary based on factors such as the Program, the investment strategy or style of the relevant manager, and the size of the client's account.

Consolidating Statements and Mailings. Clients should notify their Financial Advisor if they wish to consolidate statements for multiple accounts at the same mailing address. Program accounts held directly by client, or for the benefit of a spouse, parent, child, or anyone else residing at the same address as the client, qualify for statement consolidation. Statement consolidation requests will also result in the receipt of a single combined quarterly performance report per mailing address. By consolidating statements, clients allow D.A. Davidson to share client's Program account performance information with others at the client's mailing address. Consolidating statements does not authorize others at the client's mailing address to conduct transactions in client's Program account.

Plan fiduciaries and clients should note accounts participating in a Program that were established under an ERISA-qualified plan are typically not consolidated with accounts not subject to ERISA for purposes of receiving a combined quarterly performance report. Clients are also encouraged to consult their tax advisor regarding the tax consequences of grouping accounts not subject to ERISA with other retirement accounts (such as IRAs and Keogh plan accounts), and with non-retirement accounts.

Termination of the Advisory Relationship. Clients may terminate participation in a Program upon ten business day's written notice to D.A. Davidson. Client's participation in a Program will automatically terminate upon notification to D.A. Davidson of client's death or the death of all authorized account holders (including trustees). D.A. Davidson may also terminate client's participation in the Program immediately upon written notice to clients for any reason in D.A. Davidson's sole discretion, including, but not limited to, (i) should client's balance fall below the Program's initial minimum account size requirements and any minimum maintenance requirements determined in D.A. Davidson's sole discretion, (ii) if client fails to update or provide certain information or documentation requested by D.A. Davidson, (iii) in the case of an UTMA/UGMA account where the beneficiary has reached the age of majority in their state of residency, or (iv) in the event D.A. Davidson believes for any reason client is currently violating or may violate any applicable law or regulation or the terms of the Advisory Agreement or D.A. Davidson is otherwise requested by a regulator or self-regulatory authority to close or suspend the account. In the event D.A. Davidson or a client terminates client's participation in a Program, any prepaid, unearned fees will be refunded. The number of days remaining in the billing period after the effective date of the termination will be considered in determining the amount of any fee reimbursement due to a client. Upon termination, Program account assets will no longer be managed, and the account will be automatically converted to a custody only brokerage account at D.A. Davidson until the client transfers the assets to another provider or makes other arrangements with D.A. Davidson.

Additional General Fee Information. D.A. Davidson may modify a client's existing fees and/or add additional fees or charges by providing the client with thirty (30) days prior written notice of the modification (except that in UMA Discretion and UMA Guided, the Management Fee can change without clients' consent or prior notification).

Purchasing Like Services and Investments Outside of an Advisory Relationship. The services provided to a client in connection with a D.A. Davidson advisory account may be separately available to a client outside of the advisory account. Clients are cautioned that, depending on factors such as: the level of fees charged by the executing broker-dealer, the amount of trading activity in the client's account, the value of the client's account, the types of securities held in the client's account, the client's investment strategy, and the level of service sought by the client, the aggregate cost of the client's advisory account may be higher than if the client had selected the services separately. In addition, fees charged by D.A. Davidson may be higher or lower than the fee charged by another firm that offers comparable advisory services.

A client could also invest in a mutual fund directly or through an unaffiliated broker-dealer without D.A. Davidson's services. A client could also invest in an annuity through an unaffiliated broker-dealer without D.A. Davidson's services. In that case, the client would not receive the ongoing investment advisory services offered by D.A. Davidson through its Programs, which are intended, among other things, to assist the client in determining which mutual funds or other securities are most appropriate in considering the client's financial condition and objectives. Moreover, the mutual fund purchased directly by the client may also impose an initial or deferred sales charge. Taking such information into consideration, each client should carefully review and evaluate their investment objectives and risk tolerance, the investment advisory and brokerage services provided by D.A. Davidson and other firms, and the costs and expenses charged by such firms, before determining whether to open a D.A. Davidson advisory account and participate in a Program.

Compensation Received by D.A. Davidson and Financial Advisors. A Financial Advisor, who recommends a client open an advisory account will be compensated based on the amount of the Davidson Advisory Fee that the client pays. More information about how our Financial Advisors are compensated is provided in Item 9 below under Other Compensation.

Depending on the investments and frequency of trading in an account, the amount of compensation received by the Financial Advisor may be more or less than the amount of compensation he or she would receive if the client paid separately for similar services to be provided outside of the advisory relationship. Accordingly, the Financial Advisor may have an incentive to recommend a Program over non-advisory products or services offered by D.A. Davidson. In addressing this conflict of interest, D.A. Davidson and its Financial Advisors are supervised to the standards of care described in Item 4 above when providing investment advisory services. D.A. Davidson and its Financial Advisors meet those standards by evaluating each client's Investment Profile, and determining whether the portfolio recommended is in the best interest of the client. D.A. Davidson has also adopted and enforces policies and procedures intended to ensure the Firm and its Financial Advisors comply with their fiduciary duties.

Rollovers and Transfers. D.A. Davidson and its Financial Advisors both make more money when a client increases their assets with D.A. Davidson, including through rollovers from workplace retirement plans or IRAs at other financial services companies into IRAs with the Firm ("rollovers or transfers"). When a client engages in a rollover or transfer to an advisory IRA (or other account), D.A. Davidson will receive compensation in connection with the investments held in the IRA and D.A. Davidson will pay a portion of that compensation to the Financial Advisor. These payments create an incentive for D.A. Davidson and its Financial Advisors to recommend rollovers and transfers. D.A. Davidson's Financial Advisors do not make recommendations to roll assets out of a plan or transfer assets from an IRA, but rather provide investors who are eligible to withdraw their benefits from workplace retirement plans or IRAs at other financial services companies with educational materials to help them determine whether or not to complete a roll out or transfer and confirm that such determination was made independently without the Financial Advisor's recommendation. Where clients cannot make an independent decision to rollover and meet certain monetary thresholds, D.A. Davidson can provide a recommendation through a centralized team whose compensation is not impacted by whether or not the assets are brought to the Firm. The centralized team must first collect certain information about the fees, investments, and services in the retirement plan, and compare the plan and IRA based on a number of factors to determine whether an IRA rollover would be in the retail client's best interest.

Item 5 Account Requirements and Types of Clients

MINIMUM ACCOUNT SIZE REQUIREMENTS

Participation in each of the Programs is subject to the below initial minimum account size requirements and any minimum maintenance requirements determined in D.A. Davidson's sole discretion. Minimum account sizes vary by Program and may vary depending on the type of portfolio selected for the client's account. The chart below provides the minimum initial investment required for each Program, but these minimums may be higher depending on the portfolio and investment manager selected. If client's account falls below the minimum maintenance requirements, the D.A. Davidson Financial Advisor may recommend a different Program, portfolio, or investment manager or that the advisory relationship be terminated.

Program	Minimum Initial Investment
MFP	$5,000
RMS	$25,000
SAM Manager	$50,000
SAM Model	$25,000
MAC	$100,000
UMA Discretion	$10,000
UMA Select	$100,000
UMA Guided	$1,000,000
Paragon	$5,000
Paragon CWAM	$10,000
Choice	$24,000

TYPES OF CLIENTS

D.A. Davidson offers the Programs to the following types of clients: individuals; high net worth individuals; pension and profit-sharing plans; trusts; estates; corporations or other businesses; charitable organizations; state or local municipal government entities; partnerships; limited liability entities; and foundations and endowments.

Item 6 Portfolio Manager Selection and Evaluation

As described in Item 4 above, D.A. Davidson is the sponsor overseeing the Programs and its role, including the investment manager evaluation process it conducts, varies by Program. D.A. Davidson employs senior investment professionals with different areas of investment expertise to conduct investment oversight of the Programs. These professionals conduct the following types of reviews, among others, to oversee the Programs:

- review the performance of the MFP, RMS, SAM, and UMA Programs relative to their assigned benchmarks and peer groups;
- provide diverse perspective on current market and economic conditions as well as the capital markets in

relation to strategic asset allocation targets;

- set the securities transaction parameters for the Paragon, Paragon CWAM and Choice Programs described below;
- review and approve the investment products offered within the Paragon, Paragon CWAM and Choice Programs;
- evaluate and determine the addition or removal of investment managers, mutual funds, and asset allocations relevant to the Programs and as described below;
- evaluate the capital markets, current and projected macroeconomic and other conditions; and
- engage in the product evaluation and approval process for complex products (such as annuities and alternative investments) that may be selected for Program accounts.

As described in Item 4 above under Program Enrollment, D.A. Davidson's Financial Advisors recommend a Program, portfolio, and investment manager (as applicable) to clients. Financial Advisors make these recommendations based on the client's Investment Profile and other preference clients have for the advisory account. The Financial Advisor's recommendations are subject to the Programs, portfolios, and investment managers available based on the review of D.A. Davidson's senior investment professionals described herein.

METHODS OF ANALYSIS AND STRATEGIES BY PROGRAM

Managed Funds Portfolios (MFP)

As described in Item 4 above under MFP, the MFP Program offers clients an investment strategy of asset allocation and portfolio investments (mutual funds, ETFs, and ETNs) from a series of model portfolios constructed by D.A. Davidson. D.A. Davidson delegates Envestnet as platform manager to implement, execute, monitor, and rebalance the client's Program account. D.A. Davidson retains all discretion regarding the model construction, changes to the models, timing and parameters for implementation, execution, monitoring and rebalancing.

Methods of Analysis. The MFP Program offers a number of asset allocation models based on the D.A. Davidson portfolio construction methodology. The asset allocations options differ among models based on client objectives, with different percentages of fixed income to equity based on the client's risk tolerance and investment style.

The investment allocations are then diversified into multiple asset classes. The number of asset classes used depends on whether the client is invested in the Classic portfolios or the Elite portfolios. The Classic allocations utilize core asset classes, including but not limited to, large cap growth, large cap value, small cap growth, small cap value, and international developed large cap for equity allocations and short-term bonds, intermediate bonds, investment-grade bonds, below investment-grade bonds, bank loan and global bonds for fixed income allocations. The Elite allocations utilize additional asset classes to provide greater diversification, including, but not limited to, emerging markets, commodities, and REITs within equity allocations and inflation-protected bonds within fixed income allocations.

In determining the asset classes and allocations to be used within each asset class, D.A. Davidson conducts a quarterly review of the qualitative and quantitative factors that impact the market including, but not limited to, macroeconomic trends, inflation, the labor market, and U.S. and global valuation.

To evaluate the investments (mutual funds, ETFs, and ETNs) for inclusion in the MFP model portfolios, D.A. Davidson utilizes both qualitative and quantitative measures. The initial process to screen securities for inclusion in the Program includes the following: 1) a general quantitative screen of the applicable universe of U.S.-registered mutual funds and ETFs in relation to factors such as operational qualities (costs, the robustness of information systems, and trading capabilities), portfolio composition, volatility/performance, and tax efficiency; 2) research on the specific issuer (relating to performance over time, versus benchmark and versus peers); and 3) a review of the relevant investment manager's philosophy, staffing, and investment process. From the list of issuers identified through this screening process, D.A. Davidson compiles a list of potential investments (which is subject to change from time to time). Criteria for replacement of an investment in the MFP models generally include fundamental changes in the operations of the investment manager; turnover in key investment manager personnel; changes in senior management or among owners of the investment manager; significant drift from the investment manager's stated objectives or style; prolonged underperformance by the investment manager in relation to its peers; or any other change that could warrant removal or replacement of the investment manager, including replacement as a result of D.A. Davidson identifying relatively more attractive investment opportunities.

Investment Strategies. The investment models available in the MFP Program currently include the below (Note: Available investment models are those available as of the date of this Brochure and are subject to change at any time without notice to clients. This Brochure will be updated annually to reflect any updates to this list.) The specific strategy client receives is provided upon enrollment in the MFP Program through a Statement of Investment Selection.

a. Access Portfolio. Access Portfolios invest in mutual funds and/or ETFs, selected consistent with the client's asset allocation and investment objectives. Access Portfolios are offered to investors who have a relatively small initial investment. D.A. Davidson offers 20 Access Portfolios, six of which are offered under two model iterations, MFP Access and MFP Access Vanguard: All Equity, Capital Appreciation, Balanced, Balanced 50/50, Conservative Balanced, and Income. MFP Access Russell Investments offers five Portfolios: Equity Growth, Growth, Balanced, Moderate, and Conservative. MFP Access Davidson Investment Advisors Tactical Portfolio offers the final three portfolios: Capital Appreciation 75/25, Balanced 50/50, and Income 25/75. Further information regarding the conflicts of interest associated with DIA’s role as an Access Portfolio investment manager is provided in this Item 6 below under Portfolio Management by Affiliates and Related Persons.

b. Classic Portfolio. Classic Portfolios invest in mutual funds selected consistent with the client's asset allocation and investment objectives. D.A. Davidson offers the following six Classic Portfolio selections: All Equity, Capital Appreciation, 70/30, Balanced, Balanced 50/50, Conservative Balanced, and Income.

c. Focus Portfolio. D.A. Davidson offers seven Focus Portfolios, each containing mutual funds, and/or ETFs/ETNs invested in specific asset classes intended to provide the client with exposure to one or more sectors of the market. The use of multiple mutual funds with varying investment styles is intended to reduce the risks inherent in any single mutual fund investment. Additional client account diversification may be achieved by incorporating one or more sub-styles (e.g., value and growth styles) in a mix selected consistent with the client’s asset allocation and investment objectives. The following is an overview of the Focus Portfolios:

i. Large Cap Portfolio. Selected mutual funds, and/or ETFs/ETNs invested primarily in securities of large U.S. companies with market capitalizations generally exceeding $10 billion. The portfolio contains a diversified blend of value and growth funds, rebalanced periodically in response to market conditions.

ii. Small Cap Portfolio. Selected mutual funds, and/or ETFs/ETNs invested primarily in securities of U.S. companies with market capitalizations generally below $1.5 billion. The portfolio contains a diversified blend of value and growth funds, rebalanced periodically in response to market conditions.

iii. International Portfolio. Selected mutual funds, and/or ETFs/ETNs invested in securities issued outside of the U.S. The portfolio contains a diversified blend of value and growth funds with large cap, mid cap and small cap emphases, rebalanced periodically in response to market conditions.

iv. Fixed Income Portfolio. Selected mutual funds, and/or ETFs/ETNs invested in fixed income-oriented securities. The portfolio contains a diversified blend of fixed income funds that normally includes exposure to both domestic and non-U.S. government and corporate bonds of various maturities, rebalanced periodically in response to market conditions.

v. Multi-Strategy Absolute Return Portfolio. Selected mutual funds, and/or ETFs/ETNs invested in alternative investment-oriented securities. The portfolio contains a diversified blend of funds that normally includes broad alternative investment exposure, rebalanced periodically in response to market conditions. The intent of this portfolio is to diversify a traditional stock and bond portfolio.

vi. Diversified High Income Portfolio. Selected mutual funds, and/or ETFs/ETNs invested in securities seeking a high level of income with capital growth as a secondary objective. The portfolio contains a diversified blend of equity, fixed income, and real asset funds, rebalanced periodically in response to market conditions.

vii. Core High Income. Selected mutual funds, and/or ETFs/ETNs invested in securities seeking to provide a high level of income. The portfolio contains investments in fixed income securities and other asset classes, potentially reducing the reliance on a single strategy or approach to deliver a consistent income stream.

d. Index-Based Portfolio. The Index-Based Portfolios are managed portfolios that predominantly employ passive mutual funds, and/or ETFs/ETNs selected consistent with the client's asset allocation and investment objectives. D.A. Davidson offers six strategies under this arrangement: All Equity, Capital Appreciation, 70/30, Balanced, Balanced 50/50, Conservative Balanced, and Income.

e. Socially Aware Portfolio. Socially Aware strategies are diversified portfolios of actively managed mutual funds, index funds and ETFs “"Fund”") that either: 1) broadly incorporate specific ESG criteria as a central factor in security selection processes; 2) specifically target one or more sustainability impact themes such as climate action, healthy ecosystems, basic needs, resource security, and human development in investment processes; 3) incorporate an investment process which seeks to reduce exposure to companies promoting undesirable products, industries or processes; or 4) consider ESG factors in a non-binding way by using shareholder or company engagement to pursue ESG goals. The investment process integrates ESG factors alongside the qualitative and quantitative measures described above. Potential Funds are initially identified by screening the Morningstar Direct™ database, a third-party portfolio management and research system, for Funds with certain qualitative factors such as a Fund’s performance, portfolio composition, and costs. Funds that meet the initial requirements are then screened using Morningstar Direct™ for the desired socially responsible, sustainability or ESG focus ratings. Qualified securities are selected and monitored based on the MFP Socially Aware Portfolio Manager’s assessment of the optimal combination of a Fund’s sustainable attributes, its investment merits and the overall diversification needs of the model portfolios.

D.A. Davidson offers six Socially Aware strategies: All Equity, Capital Appreciation, 70/30, Balanced, Balanced 50/50, Conservative Balanced, and Income. Selected securities are strategically allocated across major traditional asset classes based on each offered strategy and diversified by market sector, size, and style. A security may be removed from the MFP Socially Aware portfolio if there is a material change in a Fund's portfolio managers, their investment strategy, objective or focus, if the risk/reward outlook for the security is considered unattractive as viewed by the MFP Socially Aware Portfolio Manager, or if a better candidate is identified. Morningstar's ESG ratings rely on the prospectus and other regulatory filings as reported by a Fund to identify any sustainability or ESG related objectives, themes, and investment practices. Uniform ESG reporting standards do not yet exist. This creates a wide range of complex issues and information to analyze when evaluating a company's ESG impact or rating. It should be noted that it is possible for the same security to receive different ratings from different analysis systems that consider and weight ESG factors differently. This may limit insight into a company's actual ESG standing. Managers that consider social factors typically invest in a more limited set of companies than other managers, which may have a positive or negative impact on their relative performance. The exclusion or inclusion of specific securities by investors cannot be accommodated in the model.

f. Elite Portfolio. Elite Portfolios utilize mutual funds and ETFs selected consistent with the client's desired asset allocation and investment objectives. Elite Portfolios are offered to investors who desire a higher degree of asset class exposure and additional diversification, as compared to other MFP portfolios. D.A. Davidson offers 34 Elite Portfolios, six under each of the four model iterations (Elite, Elite Tax-Aware, Elite Index-Based and Elite Manager Core) and five under the Elite Multi-Strategy, in which D.A. Davidson recommends a desired asset allocation for the client, and a corresponding portfolio of mutual funds and ETFs selected consistent with the client's needs and objectives.

The Elite Portfolio selections consist of the following: Elite All Equity, Elite Capital Appreciation, Elite 70/30, Elite Balanced, Elite Balanced 50/50, Elite Conservative Balanced, and Elite Income. These Portfolio selections rely on a greater allocation to actively managed mutual funds and a lesser allocation to passive investment vehicles such as ETFs, than the Elite Tax-Aware Portfolio selections described below. Further, these portfolios do not emphasize a higher weighting to a particular fund family, as do the Elite Manager Core Portfolios described below.

The Elite Tax-Aware Portfolio selections consist of the following: Elite Tax-Aware All Equity, Elite Tax-Aware Capital Appreciation, Elite Tax-Aware 70/30, Elite Tax-Aware Balanced, Elite Tax-Aware Balanced 50/50, Elite Tax-Aware Conservative Balanced, and Elite Tax-Aware Income. Retirement accounts are not eligible for the Elite Tax-Aware portfolio. While the Elite Tax-Aware portfolios will be managed with sensitivity to taxes, the primary objective of these portfolios is to produce positive risk-adjusted returns. The Elite Tax-Aware portfolios cannot entirely avoid the realization of capital gains. Capital gains could be realized when investments are sold, when portfolios are rebalanced, when mutual funds and ETFs held in the Elite Tax-Aware portfolios distribute short and/or long-term capital gains, and when clients request distributions or withdrawals.

The Elite Index-Based Portfolio selections consist of the following: Elite Index-Based All Equity, Elite Index-Based Capital Appreciation, Elite Index-Based 70/30, Elite Index-Based Balanced, Elite Index-Based Balanced 50/50, Elite Index-Based Conservative Balanced, and Elite Index-Based Income. The intent of the Elite Index-Based is to provide clients with a relatively higher degree of asset class diversification while predominantly employing passive mutual funds and ETFs.

The Elite Manager Core Portfolio selections consist of the following: Elite Manager Core All Equity, Elite Manager Core Capital Appreciation, Elite Manager Core 70/30, Elite Manager Core Balanced, Elite Manager Core Balanced 50/50, Elite Manager Core Conservative Balanced, and Elite Manager Core Income. The intent of the Elite Manager Core Portfolios is to provide a relatively higher-weighted portfolio in a specific fund family. The primary objective of the Elite Manager Core Portfolios is to achieve positive risk-adjusted returns, and the secondary objective is to allow the account to focus on a featured core manager.

The Elite Multi-Strategy Portfolio selections consist of the following: Elite Multi-Strategy All Equity, Elite Multi-Strategy Capital Appreciation, Elite Multi-Strategy 70/30, Elite Multi-Strategy Balanced, Elite Multi-Strategy Balanced 50/50, and Elite Multi-Strategy Conservative Balanced. The intent of these Portfolios is to provide clients with broad alternative investment exposure within the MFP Elite framework. Emphasis is placed on efficiently diversifying a traditional stock/bond portfolio while 1) providing low correlation to broad equity and fixed income markets, 2) delivering moderate returns over time with lower volatility, and 3) providing downside protection relative to equity markets. Clients should note the Elite Multi-Strategy portfolios include an allocation to mutual funds with alternative investment exposure.

Russell Investments Model Strategies (RMS)

As described in Item 4 above under RMS, the RMS Program offers clients an investment strategy of asset allocation and portfolio investments from a series of model portfolios constructed by Russell Investments. D.A. Davidson delegates Envestnet as platform manager to implement, execute, monitor, and rebalance the client's Program account. Russell Investments retains all discretion regarding the model construction, changes to the models, and timing and parameters for implementation, execution, monitoring, and rebalancing of the client's Program account, while D.A. Davidson conducts due diligence on the RMS models

Due Diligence of Russell Investments. As Russell Investments is the investment manager for the RMS Program, D.A. Davidson is responsible for periodically reviewing and generally overseeing the RMS portfolios offered in the RMS Program.

D.A. Davidson conducts this review by utilizing several quantitative and qualitative criteria. The quantitative screening process involves defining the asset class and management style, and evaluating the RMS portfolios relative to several returns-based criteria that is provided through a third-party database. These screens focus on business level risks (such as product history and manager tenure), holdings-based risks (such as sector diversification and weightings), performance-based risks (such as tracking error and peer group performance) and execution risk. The qualitative review applies proprietary criteria to certain factors deemed significant, including but not limited to the consistency of style relative to performance, the tax efficiency/sensitivity of the manager in advising a fund, the quality of the investment management professionals employed by that firm, the manager's investment processes, and other operational and legal factors. D.A. Davidson meets with Russell Investments annually to help facilitate this review.

Methods of Analysis. The investment manager in the RMS Program has different investment objectives, styles, and strategies, and also purchase and sell different types of securities to achieve those objectives. In addition, the investment manager's strategy may change in response to market conditions. In the RMS Program, Russell Investments determine asset allocation and investment selection decisions in the manner described in their Form ADV 2A Disclosure Brochure, which clients receive upon enrollment in the RMS Program. Clients may also request a copy at any time by contacting their Financial Advisor.

Investment Strategies. The RMS Program does not offer all of the portfolios available from Russell Investments as described in the Russell Investments Form ADV 2A Disclosure Brochure. The investment models available in the RMS Program currently include the below and are selected based on the diligence process described above (Note: Available investment models are those available as of the date of this Brochure and are subject to change at any time without notice to clients. This Brochure will be updated annually to reflect any updates to this list). The specific strategy client receives is provided upon enrollment in the RMS Program through a Statement of Investment Selection.

a. Core Model Strategies. The Core Model Strategies invest in actively managed mutual funds selected consistent with the client's asset allocation and investment objectives. D.A. Davidson offers five Core Model Strategies selections: Equity Growth, Growth, Balanced, Moderate, and Conservative. The Core Portfolio selections include an allocation to alternative investments.

b. Tax-Managed Model Strategies. Tax-Managed Model Strategies generally reflect the allocations of the Core Model Strategies but are managed with sensitivity to taxes. The primary objective of the Tax-Managed portfolios is to produce positive risk-adjusted returns; a secondary objective is tax efficiency. The Tax-Managed portfolios cannot entirely avoid the realization of capital gains. Capital gains could be realized when investments are sold, when portfolios are rebalanced, when mutual funds and ETFs held in the Tax-Managed portfolios distribute short- and/or long-term capital gains, and when clients request distributions or withdrawals. The Tax-Managed portfolio selections consist of the following: Equity Growth, Growth, Balanced, Moderate, and Conservative. Retirement accounts do not qualify for a Tax-Managed portfolio.

c. Hybrid Model Strategies. The Hybrid Model Strategies provide multi-asset global portfolios, diversified across equity, fixed income and alternative investments, depending on the client's investment objectives and risk tolerance. Hybrid Model Strategies take a multi-manager approach, combining actively managed mutual funds, multifactor mutual funds, and passive mutual funds and ETFs. D.A. Davidson offers five Hybrid Model Strategies: Equity Growth, Growth, Balanced, Moderate, and Conservative.

Separate Account Management (SAM)

As described in Item 4 above under SAM, the SAM Program is offered in two versions: (1) SAM MF/ETF Single Strategy (referred to in this Brochure as "SAM Model") and (2) SAM Equity/Fixed Single Strategy (referred to in this Brochure as "SAM Manager" (together with SAM Model, the "SAM Program"). In the SAM Program an investment manager is responsible for selecting the allocations and investments used. In SAM Manager, an investment manager that is not designated as an Envestnet Model Provider the investment manager also retains all discretion regarding the portfolio construction, changes to the portfolios, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account, whereas in SAM Model and SAM where an investment manager is designated as an Envestnet Model Provider, D.A. Davidson retains the discretion and delegates such discretion to Envestnet as the platform manager.

Financial Advisors can recommend investment managers to clients for the SAM Model Programs based on a review and selection process conducted by D.A. Davidson and the Financial Advisors independent evaluation. Clients should ask their Financial Advisor how they determined which investment manager to recommend to them.

Financial Advisors can recommend investment managers to clients for the SAM Manager Program based on a review and selection process conducted by either D.A. Davidson or Envestnet's PMC research teams and the Financial

Advisor's independent evaluation. Clients should ask their Financial Advisor how they determined which investment manager to recommend to them.

When D.A. Davidson conducts this research to make an investment manager available in the SAM Program, it utilizes several quantitative and qualitative criteria to assess each investment manager. The quantitative evaluation process involves defining the investment manager's asset class and management style and evaluating them relative to several returns-based criteria. These screens focus on business level risks (such as product history and manager tenure), holdings-based risks (such as sector diversification and weightings), performance-based risks (such as tracking error and peer group performance) and execution risk. The qualitative review applies proprietary criteria to certain factors deemed significant to assessing investment managers, including their consistency of style relative to composite performance, their tax efficiency/sensitivity in advising a fund, the quality of the investment management professionals employed by that investment manager, their investment processes, and other operational and legal factors.

D.A. Davidson will only make an investment manager available based on Envestnet's PMC research if it is on the PMC Approved List. For information about how Envestnet's PMC research team conducts research and determined the PMC Approved List, see the Envestnet 2A ADV Disclosure Brochure. For ongoing availability of investment managers, D.A. Davidson conducts periodic reviews of all the investment managers available in the SAM Program (whether selected by D.A. Davidson or Envestnet's PMC research team) and will often engage outside data providers and utilize software tools to assist in ongoing evaluations. D.A. Davidson will place those investment managers made available based on D.A. Davidson's research on "Watch List" status if material adverse changes occur in their business, including a change in the firm's ownership, the departure of key investment personnel, extreme performance that may be indicative of style drift or a breakdown in investment processes, and an extended period of underperformance relative to a benchmark and/or category peers. D.A. Davidson will place those investment managers made available based Envestnet's PMC research team on the "Watch List" once it is no longer on the PMC Approved List. Generally, an investment manager who is on Watch List status for more than three consecutive quarters will be 1) moved back to recommended status if D.A. Davidson deems it prudent to do so, or 2) terminated from the SAM Program. D.A. Davidson has sole discretion to terminate a manager from the SAM Program, in which case the client will be notified.

DIA is an available investment manager in SAM Manager. Because DIA is a D.A. Davidson affiliate, D.A. Davidson does not assess them in the same manner as other investment managers in the SAM Program and will not remove DIA as an available investment manager. Further information regarding the conflicts of interest associated with DIA's role as an investment manner is included in this Item 6 below under Use of Affiliated Funds and Investment Management by Affiliates and Related Persons.

D.A. Davidson has a number of portfolios created by its Wealth Management Research department included in the SAM Manager Program. Because these are D.A. Davidson portfolios, D.A. Davidson does not assess them in the same manager as other investment managers in the SAM Program and will not remove them as an available investment manager in the SAM Program. Further information regarding the conflicts of interest associated with D.A. Davidson Wealth Management Research's role as an investment manager is included in this Item 6 below under Use of Affiliated Funds and Investment Management by Affiliates and Related Persons.

Methods of Analysis for Investment Strategies (other than D.A. Davidson Wealth Management Research). Investment managers in the SAM Program implement different investment objectives, styles, and strategies, and also purchase and sell different types of securities to achieve those objectives. In addition, an investment manager's strategy may change in response to market conditions. In the SAM Program, asset allocation and investment selection decisions are determined by the investment manager in the manner described in their Form ADV 2A Disclosure Brochure, which clients receive upon enrollment in the SAM Program. Clients may also request a copy at any time by contacting their Financial Advisor. The Methods of Analysis for D.A. Davidson's Wealth Management Research portfolios along with a description of each portfolio is provided below.

Methods of Analysis for Investment Strategies of D.A. Davidson Wealth Management Research. D.A. Davidson Wealth Management Research Model Portfolios are diversified portfolios of equity securities that trade on U.S. exchanges. Security selection is made by the portfolio managers for each portfolio, while portfolio holdings are reviewed by the Wealth Management Research team at weekly investment meetings. Portfolios are concentrated in a few names with limited turnover, although that can change due to company-specific or market developments. Although the portfolios may not have holdings in all sectors (as defined by the MSCI Global Industry Classification Standard), portfolio managers strive to maintain diversity across most economic sectors.

The universe of eligible securities is created using fundamental, qualitative screening methods, along with additional specific screening criteria for the Dividend Achievers and ESG Achievers strategies. Portfolio managers identify high quality companies; those they qualify as businesses with industry leadership, skilled management, resilient profitability, and strength of balance sheet. They then use a fundamental, qualitative-based process to purchase selected companies they believe trade at a discount to their estimate of intrinsic value. At the company level, the portfolio managers assess factors that include, but are not limited to, competitive position and market share, profit margin trends and outlook, prospects and strategy for growth, use of debt and equity to support that growth, and success in achieving company targets. When determining their view of a company's intrinsic value, portfolio managers utilize multiple valuation methods including, but not limited to, price-to-earnings ratios, enterprise value-to-sales multiples, enterprise value-to-cash flow multiples, and discounted free cash flow models.

a. Dividend Achievers. The D.A. Davidson & Co. Dividend Achievers Model Portfolio invests in U.S.-traded equities that have a minimum 10-year history of consecutive dividend increases and, in the opinion of the portfolio managers, have a positive outlook for future dividend growth. The primary objective of the portfolio is to emphasize consistent income with a growth component, while also minimizing risk. The stocks included in the portfolio are selected and monitored by members of D.A. Davidson's Wealth Management Research team, and the portfolio is actively managed. The overall dividend yield for Dividend Achievers is expected to be above the average market yield, however, may differ at times due to price movements. Securities may be removed from Dividend Achievers if the underlying company fails to sustain its record of consecutive annual dividend increases or if there is a significant change in company fundamentals. Changes to Dividend Achievers may also be prompted by the portfolio managers' view of the risk/reward profile offered by individual securities.

b. Focus List. The D.A. Davidson & Co. Focus List Model Portfolio seeks long-term outperformance versus the broad market through investment in stocks of quality companies that, in the opinion of the portfolio managers, are trading at a discount to the portfolio managers' estimate of fair value. In order to minimize turnover, maintain tax efficiency, and allow time for an investment thesis to develop, the Portfolio seeks a multi-year holding period in each position. Securities may be removed from Focus List if there is a significant change in company fundamentals or the stock exceeds the portfolio managers' estimate of fair value. Changes to Focus List may also be prompted by the portfolio managers' view that a security trades above its estimated intrinsic value or a more attractive holding is identified.

c. ESG Achievers. ESG Achievers is a concentrated equity portfolio that seeks long-term outperformance relative to the S&P 500 through investment in stocks of high-quality companies that also score favorably on Environmental, Social, and Governance (ESG) criteria. Eligible securities must be in the top 1,000 largest companies in the U.S. on the basis of market capitalization and possess strong fundamental characteristics as determined by the ESG Achievers portfolio managers. Those ultimately selected for inclusion will also have an ESG Risk Rating score from Sustainalytics that ranks in the top quartile (top 25%) of its subindustry, when compared to a company's peers, at the time of addition to ESG Achievers. All securities in ESG Achievers will be covered by D.A. Davidson research or D.A. Davidson Institutional Research. Securities may be removed from ESG Achievers if there is a material change in company or industry fundamentals, a deterioration of ESG Risk Rating ranking relative to subindustry peers as measured by Sustainalytics, and/or the managers view the risk/reward profile as unattractive. Sustainalytics' ESG Risk Ratings are based on financial materiality considerations that measure a company's risk exposure and risk management to subindustry-specific Environmental, Social, and Governance issues that are material to their business. The composite Risk Rating considers a variety of ESG issues, including, but not limited to, corporate governance, development, diversity, labor relations, health and safety, environmental impact, and other idiosyncratic issues. A company's rating does not necessarily indicate that the company is green or maintains low carbon emissions. Uniform ESG reporting standards do not yet exist. This creates a wide range of complex issues and information to analyze when evaluating a company's ESG impact or rating. It should be noted that it is possible for the same company to receive different ratings from different analysis systems that consider and weight ESG factors differently. This may limit insight into a company's actual ESG standing. The exclusion of specific securities or industries by investors cannot be accommodated in ESG Achievers portfolios.

Managed Account Consulting (MAC)

As described in Item 4 above under MAC, the MAC Program offers clients the opportunity to hire or retain a third-party investment manager of their choosing to enter into separate Advisory Agreements with both D.A. Davidson and the third-party investment manager. The third-party investment manager retains all discretion regarding the model construction, changes to the models, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account.

In the MAC Program, clients are responsible for the appointment and continued retention of the third-party investment manager they select to manage their accounts. D.A. Davidson provides an initial review of the third-party investment managers that participate in the MAC Program, but D.A. Davidson expressly does not assume responsibility for the performance of the third-party investment manager selected by the client. Before accepting an account, D.A. Davidson typically runs the manager through the same quantitative screens applied to all the programs, the outcome of which will be a key determination as to whether D.A. Davidson will allow the manager to participate in the Program at the outset. These screens focus on business level risks (such as product history and manager tenure), holdings-based risks (such as sector diversification and weightings), performance-based risks (such as tracking error and peer group performance) and execution risk. Once a client is enrolled in the MAC Program, they work directly with the third-party investment manager. The Financial Advisor is responsible for any changes that would help client determine whether to continue working with the third-party investment manager or continue with the MAC Program.

Methods of Analysis for Investment Strategies. The third-party investment managers in the MAC Program have different investment objectives, styles, and strategies, and also purchase and sell different types of securities to achieve those objectives. In addition, a third-party investment manager's strategy may change in response to market conditions. In the MAC Program, asset allocation and investment selection decisions are determined by the third-party investment manager in the manner described in their Form ADV 2A Disclosure Brochure, which clients receive upon enrollment in the MAC Program. Clients may also request a copy at any time by contacting their Financial Advisor.

Unified Managed Account (UMA)

As described in Item 4 above under UMA, the UMA Program is available in three versions: (1) UMA Select, (2) UMA Discretion, and (3) UMA Guided.

Methods of Analysis for Choosing Investment Sleeves in UMA Select and UMA Discretion.

To recommend, select and combine investment sleeves, Financial Advisors employ diverse investment strategies, techniques, and methods of analysis, each of which may change depending, among other things, on changes in market conditions. Some Financial Advisors use models and distinct strategies, while others use a more customized approach.

In the UMA Select and UMA Discretion Programs, the client's specific investment objectives, and how those objectives are implemented, are determined between the client and Financial Advisor directly. D.A. Davidson recommends that clients speak with their Financial Advisor regarding the latter's investment strategies, techniques, and methods of analysis reasonably anticipated to be deployed in the management of the account.

Methods of Analysis for Individual Mutual Funds, ETFs and ETNs in UMA Select and UMA Discretion. D.A. Davidson maintains a list of available mutual funds, ETFs, and ETNs that can be selected by the Financial Advisor for use in the UMA Program. The investments in UMA Select are chosen from D.A. Davidson's Supervised Mutual Fund and ETF Research List, which will be modified from time to time.

To evaluate the investments, D.A. Davidson utilizes both qualitative and quantitative measures. The initial process to screen securities for inclusion in the Program includes the following: 1) a general quantitative screen of the applicable universe of U.S.-registered mutual funds and ETFs in relation to factors such as operational qualities (costs, the robustness of information systems, and trading capabilities), portfolio composition, volatility/performance, and tax efficiency; 2) research on the specific issuer (relating to performance over time, versus benchmark and versus peers); and 3) a review of the relevant investment manager's philosophy, staffing, and investment process. From the list of issuers identified through this screening process, D.A. Davidson compiles a list of potential investments (which is subject to change from time to time). Criteria for replacement of an investment on the list generally include fundamental changes in the operations of the investment manager; turnover in key investment manager personnel; changes in senior management or among owners of the investment manager; significant drift from the investment manager's stated objectives or style; prolonged underperformance by the investment manager in relation to its peers; or any other change that could warrant removal or replacement of the investment manager, including replacement as a result of D.A. Davidson identifying relatively more attractive investment opportunities.

Methods of Analysis for Investment Strategies within MFP, RMS, SAM Sleeves. The investments available within the MFP, RMS, and SAM sleeves are as described for each in this Item 6 above. As noted, for RMS and SAM portfolios/models and investment selection decisions are determined by an investment manager in the manner described in their Form ADV 2A Disclosure Brochure, which clients receive upon enrollment in the UMA Program when choosing one of those sleeves (except for portfolios by D.A. Davidson Wealth Management Research, which are described in this Brochure). Clients may also request a copy at any time by contacting their Financial Advisor.

Methods of Analysis for UMA Guided. See the Envestnet 2A ADV Disclosure Brochure for information regarding the methods of analysis for UMA Guided portfolios.

Paragon

As described in Item 4 above under Paragon, the Paragon Program offers clients an investment strategy of asset allocation and portfolio investments customized to the client by the Paragon Manager, who retains all discretion regarding the portfolio construction, changes to the portfolios, timing and parameters for implementation, execution, monitoring and rebalancing the client's Program account.

D.A. Davidson requires that Financial Advisors meet and maintain several eligibility requirements in order to become Paragon Managers, including minimum tenure with D.A. Davidson, certain educational attainments, and achieving certain annual continuing education criteria. Paragon Managers must also submit a Written Investment Discipline for review and approval by D.A. Davidson, which describes their investment philosophy and methods of analysis in detail. Paragon Managers are also subject to the Security and Transaction Parameters of the Paragon Program, which are set by D.A. Davidson.

Methods of Analysis for Investment Strategies. Paragon Managers employ diverse investment strategies, techniques, and methods of analysis, each of which may change depending, among other things, on changes in market conditions. Some Paragon Managers have model portfolios and distinct strategies, while others use a more customized approach to implementation of their investment strategy based on a client's unique needs. Paragon Managers may also pursue diverse objectives for client accounts, such as aggressive growth of capital, moderate growth of capital, or preservation of capital; may focus on certain issuers based on their market capitalization (such as large caps or small caps); favor a particular investment style (such as growth, value or core); or may recommend purchasing and selling certain types of securities (such as stocks, bonds or mutual funds). Some Paragon Managers will specialize in one or more of the areas referred to above, and therefore implement an investment strategy in a more concentrated fashion, while other Paragon Managers will actively focus on diversifying the client's account assets.

In the Paragon Program, the client's specific investment objectives, and how those objectives are implemented, are determined between the client and Paragon Manager directly. D.A. Davidson recommends that clients speak with their Paragon Manager regarding the latter's investment strategies, techniques, and methods of analysis reasonably anticipated to be deployed in the management of the account.

In regard to selecting alternative investments for client's Paragon accounts (i.e., hedge funds and certain private market funds), D.A. Davidson's Managed Assets Department has established an initial and ongoing due diligence process. The process is designed to help ensure any alternative investments approved for investment allocations or strategies made available to clients have been properly vetted and are suitable and consistent with the client's Investment Profile. This includes but is not limited to an initial review of third-party reports, offering documents and marketing materials, in-person meetings and interviews with the fund or fund sponsor's key management personnel, an evaluation of the investment philosophy, process and performance, the general business practice and financials, regulatory compliance and disclosure documents, risk management and strategic planning. The ongoing due diligence process includes among other things annual due diligence meetings with the fund or fund sponsor, quarterly information updates and interviews as necessary, and a review of performance and regulatory reporting. Senior investment professionals at D.A. Davidson review the due diligence conducted on any proposed alternative investment product and have the authority to approve the product with additional conditions, as they deem appropriate.

Security and Transaction Parameters Paragon. Accounts participating in the Paragon Program are subject to the non-exhaustive list of restrictions referenced below, which list may be modified from time to time by D.A. Davidson in its discretion:

- As of January 1, 2024, no more than 5% of the account is permitted to be held in cash for more than 90 consecutive days.
- Short sales are prohibited.
- Margin is prohibited.
- Volatility, Leveraged and inverse ETFs are prohibited.
- Option transactions are limited to covered calls and protective puts in proportion to the relevant underlying equity position or cash.
- Individual equities:
    - An account can be concentrated up to 30% of the account's value in a single equity.
- Individual Fixed Income securities:
    - An account can be concentrated up to 30% of the account's value in a single fixed income security.
- Advisory variable annuities are allowed with approval. All other Annuities are prohibited.
- Pooled investments, including mutual funds (closed-end funds and UITs) purchased in an advisory or equivalent share class.
    - Any share class of Davidson Funds (Davidson Investment Advisors) in ERISA or IRA accounts is prohibited.
    - An account can be concentrated up to 60% of the account's value in a pooled investment vehicle.
    - Alternative strategy mutual funds are restricted to a percentage of the client's total investable assets, based on the client's risk tolerance.
- Alternative investments, including hedge funds, private markets (real estate funds, private credit, private equity and interval funds) are restricted to a percentage of the client's total investable assets, based on the client's risk tolerance. Investor qualification requirements also must be met in the case of private placement offerings.
    - Alternative funds are limited to advisory share class strategies purchased via our approved alternative investment platform SEC 1940 Act Mutual Funds and ETFs/ETNs classified as alternative investments.
- Principal trades are allowed only when they are in the client's best interest based on the financial information and investment objectives provided by the client.
    - Under no circumstances are principal trades and new issues allowed in ERISA or IRA accounts.
- Agency cross transactions are generally prohibited. Please see further information in Item 9 below under Additional Information and Participation or Interest in Client Transactions.
- Factorable securities (e.g., CMOs and GNMAs) are prohibited.
- Securities trading below $5 per share on Over-The-Counter Markets are prohibited.
- The risk level of an account can be maintained at one degree higher or one degree lower than the client's target risk level.
- An account can be concentrated up to 50% in one particular sector.

- Non-publicly traded securities cannot be purchased.
- If an account has low trade activity for an extended period of time D.A. Davidson may in its sole discretion, immediately, upon sending notice to the client, terminate the management of the account and convert the account to a Brokerage Account.

In some cases, accounts transitioned from legacy investment management programs will continue to hold securities positions that would otherwise be ineligible under the Paragon Program. Additionally, at the discretion of D.A. Davidson's Managed Asset Department, certain Financial Advisors may be granted limited exceptions to the above investment guidelines, including permission to use margin, permission to hold security positions that would otherwise be ineligible under the Paragon Program. In these cases, client will pay a Total Advisory Fee based on these ineligible assets until they are able to be liquidated.

Paragon CWAM

As described in Item 4 above under Paragon CWAM, certain Financial Advisors have been approved to offer the CWAM Portfolios. Recommendations of CWAM Portfolios depend on the client's asset allocation and investment objectives and have the following strategies available: CWAM- Montecito; CWAM- Foundations; and CWAM- Eagle. Each of these offers several models based on the client's time horizon, risk tolerance, income needs, and tax profile.

The CWAM Portfolios are developed by the CWAM Managers, who are certain Financial Advisors that develop and manage client assets in these portfolios and retain all discretion regarding portfolio construction, changes to the portfolios, timing and parameters for implementation, execution, monitoring and rebalancing the client's Paragon CWAM account.

D.A. Davidson requires that CWAM Managers meet and maintain several eligibility requirements in order to provide this service, including minimum tenure with D.A. Davidson, certain educational attainments, and achieving certain annual continuing education criteria. The CWAM Managers must also submit a Written Investment Discipline for review and approval by D.A. Davidson, which describes their investment philosophy and methods of analysis in detail. CWAM Managers are also subject to the Security and Transaction Parameters of the Paragon Program, which are set by D.A. Davidson.

Methods of Analysis for Investment Strategies. CWAM Managers employ diverse investment strategies, techniques, and methods of analysis in creating the model portfolios, each of which may change depending, among other things, on changes in market conditions.

Clients should discuss the investment strategies, techniques, and methods of analysis reasonably anticipated to be deployed in the management of the account with the CWAM Managers.

In regard to selecting alternative investments for client's Paragon CWAM accounts (i.e., hedge funds and certain private market funds), D.A. Davidson's Managed Assets Department has established an initial and ongoing due diligence process. The process is designed to help ensure any alternative investments approved for investment allocations or strategies made available to clients have been properly vetted and are suitable and consistent with the client's Investment Profile. This includes but is not limited to an initial review of third-party reports, offering documents and marketing materials, in-person meetings and interviews with the fund or fund sponsor's key management personnel, an evaluation of the investment philosophy, process and performance, the general business practice and financials, regulatory compliance and disclosure documents, risk management and strategic planning. The ongoing due diligence process includes among other things annual due diligence meetings with the fund or fund sponsor, quarterly information updates and interviews as necessary, and a review of performance and regulatory reporting. Senior investment professionals at D.A. Davidson review the due diligence conducted on any proposed alternative investment product and have the authority to approve the product with additional conditions, as they deem appropriate.

Security and Transaction Parameters Paragon CWAM. Permitted Investments and non-Permitted Investments for the Paragon CWAM Program are the same as the Paragon Program. However, accounts transitioned from legacy CWAM accounts will continue to hold securities positions that would otherwise be ineligible under the Paragon Program.

Choice

As described in Item 4 above under Choice, the Choice Program offers clients an investment strategy of asset allocation and portfolio investments customized to the client by a D.A. Davidson Financial Advisor. In the Choice Program client appoints D.A. Davidson to provide investment advice and recommendations for the assets in the client's Program account, but the client retains full authority over the decisions (including the authority to buy, sell, or hold securities and the timing of these actions). Neither D.A. Davidson nor a Financial Advisor has investment discretion and may not buy or sell securities in connection with a client account without their consent.

D.A. Davidson requires that Financial Advisors meet and maintain several eligibility requirements in order to participate in the Choice Program, including minimum tenure with D.A. Davidson, and achieving certain annual continuing education criteria. Financial Advisors who participate in the Choice Program are also subject to the Security and Transaction Parameters of the Choice Program, which are set by D.A. Davidson.

Methods of Analysis for Investment Strategies. In the Choice Program, the Financial Advisor advises the client on an appropriate investment strategy, which includes security selection and general asset allocation. Financial Advisors participating in the Choice Program will utilize diverse investment strategies, techniques, and methods of analysis, which may change depending, among other things, on changes in market conditions. Because the Choice Program is non-discretionary, the client is ultimately responsible for the actual implementation of the investment strategy they adopt. Financial Advisors will use a customized approach to make recommendations for client's Choice account based on the information in the client's Investment Profile and investment circumstances. In making recommendations to Choice Program clients, Financial Advisors may recommend from among different investment objectives, such as aggressive growth of capital, moderate growth of capital, and preservation of capital; may focus on issuers with certain market capitalizations (such as large caps or small caps); may focus on certain investment styles (such as growth, value or core); or may favor purchasing and selling certain types of securities such as stocks, bonds or mutual funds). Some Financial Advisors may specialize in one or more of the areas referred to above and may therefore recommend clients invest their assets in a more concentrated fashion, while other Financial Advisors may recommend the client focus on diversifying account assets.

Before engaging a Financial Advisor in the Choice Program, D.A. Davidson recommends the client speak with their Financial Advisor regarding the investment strategies, techniques, and methods of analysis the Financial Advisor may use to formulate recommendations to the client, while actively considering the client has sole investment discretion in relation to the account, and will make the final decision whether to accept or reject the Financial Advisor's recommendation to pursue a particular investment strategy or purchase or sell specific securities.

In regard to selecting alternative investments for client's Choice accounts (i.e., hedge funds and certain private market funds), D.A. Davidson's Managed Assets Department has established an initial and ongoing due diligence process. The process is designed to help ensure any alternative investments approved for investment allocations or strategies made available to clients have been properly vetted and are suitable and consistent with the client's Investment Profile. This includes but is not limited to an initial review of third-party reports, offering documents and marketing materials, in-person meetings and interviews with the fund or fund sponsor's key management personnel, an evaluation of the investment philosophy, process and performance, the general business practice and financials, regulatory compliance and disclosure documents, risk management and strategic planning. The ongoing due diligence process includes among other things annual due diligence meetings with the fund or fund sponsor, quarterly information updates and interviews as necessary, and a review of performance and regulatory reporting. Senior investment professionals at D.A. Davidson review the due diligence conducted on any proposed alternative investment product and have the authority to approve the product with additional conditions, as they deem appropriate.

Security and Transaction Parameters Choice Program. The same as those for the Paragon Program, described above.

CALCULATION AND REVIEW OF PERFORMANCE AS PART OF THE DILIGENCE PROCESSES

Investment Manager Performance. D.A. Davidson evaluates the performance as a component of due diligence related to the RMS, SAM, and the UMA Select and UMA Discretion programs. The evaluation includes a review of the calculations that are based on a time-weighted-return methodology. Time-weighted performance is often used as an industry standard to compare investment managers as it measures the compounded rate of growth, while removing the distorting effects caused by the inflow or outflow of funds in a portfolio. For the RMS, SAM Model and UMA Program portfolios with a SAM Model sleeve, Envestnet calculates the time-weighted-performance information based on the composite of accounts for each portfolio from data on the Envestnet platform. For the SAM Manager and UMA Program portfolios with a SAM Manager sleeve, Envestnet obtains the time-weighted performance information based on the composite of accounts for each portfolio from the investment managers.

MFP Program and certain SAM Manager portfolio performance is provided by D.A. Davidson's Managed Asset Research and Wealth Management Research departments for their respective portfolios, using a composite of accounts, which is an aggregation of client accounts at D.A. Davidson within the same portfolio and performance period being presented.

D.A. Davidson's Managed Assets Research Department periodically reviews the performance for the Programs described above and believes the performance calculations and sources of this information to be reliable. Some, but not all, SAM Managers report Global Investment Performance Standards ("GIPS") compliant composite performance, which are voluntary standards used by investment managers, established by the CFA Institute, and governed by the GIPS Executive Committee to help ensure fair and accurate reporting. **However, D.A. Davidson does not verify or guarantee the accuracy or completeness of the performance information, the data provided by any external source, or compliance with any particular presentation standards, prior to its use with clients or prospective clients**.

For Paragon, Paragon CWAM, MAC, and Choice, neither D.A. Davidson nor a third-party reviews portfolio manager performance information in determining whether the Financial Advisor can continue to provide investment management to clients. A client's actual individual account performance is available to clients in a quarterly performance report. Although a time-weighted return methodology is also used in the quarterly performance calculations, a client's actual account performance and their corresponding Program portfolio performance will differ due to the client's applicable fee schedule, the timing of account allocations and transactions, and the calculation date and time period.

For UMA Guided performance is evaluated by PMC, as described in the Envestnet 2A ADV Disclosure Brochure.

USE OF AFFILIATED FUNDS AND INVESTMENT MANAGEMENT BY AFFILIATES AND RELATED PERSONS

Mutual funds issued by DIA, a D.A. Davidson affiliate ("Affiliated Funds"), are available in the Paragon, Paragon CWAM and Choice Programs, except within retirement accounts. Affiliated Funds cannot be selected in any of the other Programs. D.A. Davidson and its affiliates have a financial conflict of interest when Affiliated Funds are selected for Paragon, Paragon CWAM and Choice accounts because D.A. Davidson affiliates earn compensation for advisory, distribution and administrative services provided to the Affiliated Funds. This compensation is in addition to the Total Annual Fee, resulting in the receipt of two levels of fees by the D.A. Davidson family of companies. The receipt of two levels of fees may be significant, both in absolute dollar amounts and relative to D.A. Davidson's net income and creates an incentive for D.A. Davidson to cause the Paragon, Paragon CWAM and Choice Programs to choose and continue to retain Affiliated Funds over unaffiliated mutual funds. D.A. Davidson seeks to address this conflict of interest by disclosing it in this Brochure and by not sharing additional revenue with advisors. Clients can also request that Financial Advisors not purchase Affiliated Funds in their Paragon, Paragon CWAM and Choice accounts.

DIA acts as an investment manager in the SAM Manager, UMA Select and UMA Discretion Programs (not in UMA Guided), as described in Item 4 above. D.A. Davidson and DIA have a financial conflict of interest when DIA is selected as an investment manager in the SAM Manager, UMA Select and UMA Discretion Programs because, under these circumstances, both the Davidson Advisory Fee and Management Fee are retained by the D.A. Davidson family of companies. This means that, through these arrangements, D.A. Davidson and its affiliates receive higher total compensation than if the client selected an unaffiliated investment manager. D.A. Davidson seeks to address this conflict by disclosing it in this Brochure and not incentivizing advisors to select DIA. In addition, D.A Davidson engages an independent third-party to evaluate new DIA portfolios for initial inclusion in the SAM Program.

D.A. Davidson, in providing the D.A. Davidson Wealth Management Research portfolios, acts as an investment manager in the SAM Manager Program, as described in Item 4 above. D.A. Davidson has a conflict of interest when the Wealth Management Research portfolios are selected in the SAM Manager Program because, under these circumstances, both the Davidson Advisory Fee and platform fee portion of the Management Fee are charged to the client and retained by D.A. Davidson. The client is not charged the non-platform portion of the Management Fee. This conflict of interest is mitigated by assessing the same platform fee for all SAM investment managers and all investment sleeves in the UMA Programs.

Further information about D.A. Davidson's Related Persons, the conflicts of interest noted above, and how D.A. Davidson addresses these conflicts of interest, is provided in Item 9 below under Other Financial Industry Activities and Affiliations and Code of Ethics.

ADVISORY BUSINESS

As described in Item 4 above under Services, Fees and Compensation, D.A. Davidson and its Financial Advisors provide investment management services through the Programs. D.A. Davidson receives all or a portion of the fee charged to clients for providing these services. In offering advisory services, D.A. Davidson considers every client situation individually, based on information provided by clients, including information included in the client's Investment Profile. Not every Program is suitable for a client. Clients may impose reasonable investment restrictions on the management of their accounts.

PERFORMANCE-BASED FEES

D.A. Davidson does not charge performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the client's account assets).

RISK OF LOSS

Clients should understand investing in any security involves a risk of loss of both income and principal. Securities analysis methods, including those utilized by D.A. Davidson, assume the companies whose securities trade in the markets, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we attempt to remain alert to indications that data is be incorrect, there is always a risk that D.A. Davidson's analysis is compromised by inaccurate or misleading information. D.A. Davidson does not guarantee the future performance of the account or any specific level of performance, the success of any investment or strategy that D.A. Davidson may make or recommend, or the success of the overall management of the account.

The following is a non-exhaustive summary of specific risks associated with each type of investment analysis implemented by D.A. Davidson through the Programs:

Fundamental Analysis. Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the issuer itself) to determine if the company is underpriced or overpriced (buy or sell indicators). Fundamental analysis does not attempt to anticipate market movements. This analysis presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in assessing the intrinsic value of the security.

Technical Analysis. Technical analysis involves the use of statistical data, and trends in that data, to identify trading opportunities. Technical analysis does not consider the underlying financial condition of a company, or the intrinsic value of its securities. This type of analysis presents a risk in that a poorly managed or financially unsound company may underperform regardless of larger movements in the market.

Cyclical Analysis. This form of technical analysis involves studying cycles in the economy and financial markets. In this type of technical analysis, the movements of a particular stock are measured relative to the overall market in an attempt to predict the price movement of the security. The risk most commonly associated with this analysis is that the overall measurement is incorrect.

Quantitative Analysis. Quantitative analysis uses complex mathematical models and statistics to analyze past events to make investment decisions about security performance (or larger market movements) in the future. Common risks encountered in using quantitative analysis are that the models used are based on assumptions that prove to be incorrect, and that the underlying sets of historical data utilized by the manager are incomplete.

Qualitative Analysis. Qualitative analysis involves the analysis of unquantifiable information, such as management decisions, to evaluate investment opportunities in the company's securities. A risk in using qualitative analysis is that our subjective analysis of the information is proven incorrect.

Asset Allocation. A risk of an incorrect asset allocation decision is that the client does not participate in a sharp increase in a particular security, industry, or market sector. Another risk is that the ratio of equities, fixed income, and cash holdings will change over time due to security-value and market movements and, if not corrected (i.e., through rebalancing), will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. A common risk of mutual fund and/or ETF analysis is that, as with other securities investments, past performance does not guarantee future results. A manager who has been successful in identifying profitable opportunities among mutual funds may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual fund or ETF, managers of different funds held by the client may purchase the same security, creating concentrated exposure for the client to that security and increasing the risk to the client if that security were to fall in value. There is also a risk of a manager deviating from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

The following is a non-exhaustive summary of general risks involved in investing through any of the Programs:

Interest Rate Risk. Fluctuations in interest rates cause the prices of securities to fluctuate. For example, bond market values have an inverse relationship to changes in interest rates. Generally, the longer a bond's maturity, the greater the interest rate risk and the higher its yield. Similarly, equities may also suffer from rising interest rates.

Market Risk. Market risk is the risk of investment losses due in a client's account due to a variety of reasons outside of D.A. Davidson's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, epidemic, pandemic, or social events, independent of the intrinsic valuation of one or more securities in the client's account.

Inflation Risk. When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Inflation risk is therefore the risk of inflation exceeding the return of an investment in the client's account.

Currency Risk. Among other risks, investments in non-U.S. securities are subject to fluctuations in the value of the dollar relative to the currency of the country in which the issuer is based. This is also referred to as exchange rate risk. Currency risk could lead to a loss for a client, for example, when the proceeds from the sale of the non-U.S. security, which may be in a devaluing foreign currency, are converted to a relatively stronger U.S. dollar.

Reinvestment Risk. This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (e.g., due to reductions in interest rates). This risk primarily relates to client account investments in 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 cost-effectively finding oil, extracting it, and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of potential profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the prevailing macroeconomic environment.

Liquidity Risk. Liquidity is the ability to readily convert a security into cash. Generally, securities in a client's account are more liquid if many individuals are interested in buying or selling them. For example, Treasury Bills are highly liquid, while real estate properties are relatively illiquid. Liquidity risk is therefore the risk that a client will not be able to promptly sell a security due to a limited market for that instrument.

Financial Risk. Excessive borrowing to finance a business' operations may create a degree of stress on the firm to the point of jeopardizing its profitability, and potentially triggering a default on one or more outstanding loans. Depending on the circumstances, such a development could lead to a declining value in the company's securities, or even its bankruptcy.

Insurance Carrier Risk (specific to eligible programs for advisory variable annuity and insurance products). This is the risk associated with an insurance carrier's financial strength in meeting current, ongoing, and senior financial obligations, which are obligations to policy/contract holders. An insurance carrier's balance sheet strength, operating performance and financial profile are major factors that quantify an insurance carrier's financial strength.

Global Economic Risk. National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region, or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's investments. Major economic or political disruptions, particularly in large economies, may have global negative economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and generally have a significant impact on the economy. Such events could materially increase risks, including market and liquidity risk, and significantly reduce account values.

Cybersecurity Risk. Client portfolios are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third-party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

Technology Risk. The offerings within the Programs are dependent upon various computer and telecommunication technologies, many of which are provided by or are dependent on third parties. The successful operation of the Program could be severely compromised by system or component failure, telecommunication failure, power loss, a software-related system crash, unauthorized system access or use (such as "hacking"), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunication systems or operations could have a material adverse effect on the Programs. Such a material adverse effect may have a heightened impact on some of the Programs given the automated nature of the services provided.

Concentration Risk. This is the risk that a client's portfolio is heavily allocated in one or few securities, industries, sectors, or geographic locations. This increases the impact of negative or positive performance compared to a portfolio which is diversified.

Specific Security Risks. In addition to the above risks, each security type used in the Programs is has certain characteristics and is subject to a risk of loss that clients should be prepared to bear. For more information about risks associated with stocks, bonds, mutual funds (including alternative strategy mutual funds), ETFs, ETNs, options, alternatives, structured products, UITs (including buffered UITs), options, and advisory variable annuities clients should speak with their Financial Advisor. For risks associated with mutual funds and ETFs in client's account, see the fund's current prospectus.

If clients are enrolled in a Program that utilizes the Envestnet platform, please refer to the Envestnet 2A ADV Disclosure Brochure for associated risks.

VOTING CLIENT SECURITIES

Proxy Voting in each Program. D.A. Davidson votes securities on behalf of its clients in the MFP (as of February 5, 2024), Paragon and Paragon CWAM Programs, and for the D.A. Davidson Wealth Management Research portfolios offered under SAM Manager (as of February 5, 2024) in accordance with the Advisory Agreement, consistent with applicable laws and regulations and the Firm's policies and procedures relating to the voting of proxies. Where D.A. Davidson is responsible for voting proxies, it also votes proxies relating to securities held in accounts subject to ERISA, unless the plan documents specifically reserve proxy-voting authority to the plan sponsor.

D.A. Davidson does not vote securities on behalf of clients in the Choice Program or for any assets not custodied at D.A. Davidson. Clients retain the responsibility to vote proxies relating to securities in their accounts.

D.A. Davidson directs Envestnet or a third-party investment manager or sub-manager to vote securities on behalf of clients in the SAM, RMS, and UMA Programs. Envestnet has implemented policies and procedures and other controls for voting these proxies. Further information on Envestnet's proxy voting policy and procedures can be found in Envestnet's Form ADV, Part 2A, which is provided to clients upon enrollment in each of these programs, available upon request or can be found online by searching for Envestnet Asset Management online at adviserinfo.sec.gov. For accounts participating in SAM Manager, proxy voting is delegated to the investment managers or sub-managers (and not retained by Envestnet). In those instances, the investment manager is responsible for voting, or abstaining from voting, in connection with any proxy solicitation relating to a security in the client's account. Information about the investment managers' proxy voting policies and procedures can be found in each of their Form ADV, Part 2A, provided to clients upon enrollment, available upon request or available online by searching for the investment manager at adviserinfo.sec.gov. Note, however, that for certain third-party investment managers or sub-managers clients would be responsible to vote their own proxies.

Clients in the MAC Program may retain the responsibility to vote proxies relating to securities in their accounts, depending on the terms of the advisory agreement between the client and the investment manager. D.A. Davidson does not take any action to vote client securities in the MAC Program.

In all Programs, clients may retain the right to vote proxies for their own accounts, or direct D.A. Davidson to vote a proxy in a particular manner, so long as the client timely notifies their Financial Advisor in writing (including by email).

Proxy Voting Process When D.A. Davidson is Responsible for Voting Proxies.

Proxy Advisor Firm and Voting Methodology. D.A. Davidson has engaged a third-party Proxy Service Vendor to provide proxy voting administrative duties and proxy voting recommendations from another third-party Proxy Advisory Firm ("Proxy Advisor"). The Proxy Advisor recommendations are pre-populated into the Proxy Service Vendor's electronic voting platform, subject to the preapproval requirements identified below. Proxies that are not escalated for preapproval are automatically executed pursuant to the Proxy Advisor's pre-populated voting recommendations. Proxies are generally voted in accordance with the Proxy Advisor recommendations, but D.A. Davidson reserves the right to exercise its own judgment on a case-by-case basis, to serve its client's best interests once it has determined that such a vote would not involve an identified firm related conflict of interest. In these situations, D.A. Davidson will generally vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses, and for incentive compensation that would align management interests with shareholder interests, including stock-based compensation and restricted stock award programs. Corporate governance issues, however, are diverse and continually evolving and these general policies may not be relevant in some circumstances.

Proxy Voting Committee. D.A. Davidson's Investment Adviser Proxy Voting Committee (the "Proxy Committee") includes senior personnel from D.A. Davidson and one or more of its Related Persons. The Proxy Committee meets periodically to monitor D.A. Davidson's overall adherence to and the effectiveness of the Firm's proxy voting policies and procedures. The Proxy Committee also reviews the internal controls and independence of the third-party vendors on no less than an annual basis. In addition, the Proxy Committee preapproves any contested or controversial proxies, requests to deviate from the Proxy Advisor's voting recommendations, and proxies that are not covered by D.A. Davidson's proxy voting policies and procedures.

Class Action Notices. D.A. Davidson will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in a client's Program account(s), including in connection with the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct D.A. Davidson to transmit a copy of any class action notices to the client or to a third-party. Upon such direction, D.A. Davidson will use commercially reasonable efforts to forward such notices to the person identified by the client in a timely manner.

Conflicts of Interest. D.A. Davidson and its supervised persons have various conflicts in relation to voting client proxies, which may include personal investments, outside activities, personal relationships, and management of investment accounts for or on behalf of publicly traded companies. D.A. Davidson, as a dually registered brokerage firm, also provides underwriting services for public companies, makes a market in select securities, and uses the services of select public companies for core systems. D.A. Davidson believes, however, that its retention of the Proxy Service Vendor, use of the Proxy Advisor recommendations, its adherence to its proxy voting policies and procedures and oversight by the Proxy Committee help to ensure proxies are voted appropriately.

Further information on how client proxies were voted and a copy of D.A. Davidson's proxy voting policies and procedures may be requested, free of charge, by contacting their Financial Advisor or writing to: D.A. Davidson & Co. Attention: Compliance Department, 8 Third Street North, Great Falls, MT 59401.

Item 7 Client Information Provided to Portfolio Managers

As described in Item 4 above, Financial Advisors are responsible for gathering client's Investment Profile (i.e., investment objectives, risk tolerance, time horizon, financial information, and other circumstances) as well as their liquidity needs and any reasonable restrictions the client wishes to impose upon the management of the account.

The Financial Advisor will then use this information to recommend a Program for the client. Client's information that is shared with the investment manager depends on the Program in which the client is enrolled, as follows:

For MFP, the investment manager is D.A. Davidson which has all of client's information including personal and account information.

For RMS, the investment manager does not receive any client information. Envestnet, as the platform provider, has access to client's personal and account information.

For SAM Model, the investment manager does not receive any client information. Envestnet, as the platform provider, has access to client's personal and account information.

For SAM Manager, the investment manager does not receive any client information. Envestnet, as the platform provider, has access to client's personal and account information.

For MAC, where the client has a direct contractual relationship with the investment manager all of the client's information is shared with the investment manager including their personal and account information.

For UMA, the information provided to the investment manager and Envestnet, as platform provider, depends on the Program sleeves selected.

For Paragon, Paragon CWAM and Choice, the investment managers are D.A. Davidson Financial Advisors who have all of client's information including personal and account information.

It is ultimately the client's responsibility to advise D.A. Davidson of any changes to the information previously provided that might impact their account. Neither D.A. Davidson nor any investment manager, nor Envestnet is responsible for independently verifying information or data provided by a client, or for any adverse consequence arising out of or in any way connected with the client's failure to promptly communicate the updated or new information to any of these persons.

Item 8 Client Contact with Portfolio Managers

Client's contact with investment managers depends on the Program in which the client is enrolled.

The MFP, RMS, SAM, MAC and UMA Programs employ investment managers as described in Item 4 above. D.A. Davidson does not restrict a client's authority to contact or consult with any of the investment managers for these Programs. In MAC, the client has direct access to the investment manager in relation to the client's account. However, client's primary point of contact for all Program accounts is their Financial Advisor. Your Financial Advisor serves as the communication conduit between the client and any of the investment managers in relation to matters concerning MFP, RMS, SAM, MAC and UMA Program accounts.

The investment managers for the Paragon, Paragon CWAM and Choice are D.A. Davidson Financial Advisors and clients enrolled in these Programs have direct access to them.

Item 9 Additional Information

DISCIPLINARY INFORMATION

The following is a summary of disciplinary events relating to D.A. Davidson, its management, and Affiliates that the Firm believes may be material to a prospective client's decision of whether to retain the Firm to provide investment advisory services. Certain disclosures below relate to disciplinary events that occurred with predecessor firms that were acquired by D.A. Davidson Companies, the Parent of D.A. Davidson.

Further information regarding these settlements and other disciplinary matters relating to D.A. Davidson and its Affiliates is available on the SEC's website at www.adviserinfo.sec.gov. Clients can search this site using D.A. Davidson's CRD number, which is 199.

Disciplinary Information Relating to D.A. Davidson's Advisory Business

The SEC issued an Order dated March 11, 2019 (SEC Administrative Proceeding File No. 3-19094) (the "SCSD Order"), relating to the resolution of a matter under the Division of Enforcement's Share Class Selection Disclosure Initiative (the "SCSD Initiative"). The violations referred to in the SCSD Order were self-reported by D.A. Davidson. Pursuant to the SCSD Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson alleging that the Firm willfully violated Sections 206(2) and 207 of the Advisers Act in connection with its mutual fund share class selection practices and the fees it received pursuant to Rule 12b-1 under the Company Act. In connection with the SCSD Order, D.A. Davidson consented to: (a) cease and desist from committing or causing any violations and any future violation of sections 206(2) and 207 of the Advisers Act; (b) be censured; (c) pay disgorgement and prejudgment interest in the amount of $654,276.41; and (d) comply with certain undertakings. As noted in the SCSD Order, in determining the settlement offer the SEC considered that D.A. Davidson self-reported its conduct to the SEC pursuant to the SCSD Initiative.

Disciplinary Information Relating to D.A. Davidson's Broker-Dealer Business

In October 2018, D.A. Davidson, without admitting or denying the allegations, consented to findings and sanctions by FINRA that it failed to apply available mutual fund share class sales charge waivers to eligible retirement and charitable organization Brokerage Accounts, and to implement proper supervisory system and training procedures (NASD Rule 3010 and FINRA Rule 3110 violations). The matter was previously self-reported to FINRA by D.A. Davidson in May 2016. As part of the settlement, D.A. Davidson paid $447,000 in restitution, including interest, to approximately 303 customer accounts. D.A. Davidson was not fined as a result of its self-reporting of the matter and its cooperation with FINRA. D.A. Davidson also updated its training, policies and procedures, and other controls intended to ensure that an appropriate mutual fund share class is selected for clients, and that mutual fund sales charge waivers are applied in commission-based account transactions. This matter did not involve any wrap fee advisory clients of D.A. Davidson.

In February 2016, a regulatory action disclosure relating to the SEC's Order dated February 2, 2016 (SEC Admin Releases 33-10019; 34-77021) (the "MCDC Order") was issued. The SEC MCDC Order was issued under the Division of Enforcement's Municipalities Continuing Disclosure Cooperation Initiative, and the violations referred to therein were self-reported by D.A. Davidson. This included allegations of anti-fraud provision, due diligence, and continuing disclosure failures for the underwriting of certain municipal securities offerings, and the offering of municipal securities on the basis of materially misleading disclosure documents (SEC Rules 15c2-12 violations). During the relevant period the SEC found the official statements for six securities offerings, between the period of 2012 – 2014, failed to disclose that the municipal issuers had either failed to file annual audited financial statements, or to file notices of late filings. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson arising for willfully violating Section 17(a)(2) of the Securities Act (an antifraud provision of the federal securities laws) related to the underwriting of certain municipal securities offerings. In connection with the MCDC order, D.A. Davidson paid a $500,000 fine to the SEC. In addition, D.A. Davidson engaged an independent consultant to review and update the Firm's policies, procedures, and other controls to help ensure compliance with the Firm's regulatory requirements.

In November 2015, D.A. Davidson, without admitting or denying the allegations, consented to the findings by FINRA that it violated best execution and standards of commercial honor and principles of trade requirements under FINRA Rules 5310 and 2010, respectively. More specifically, during the review period of October 2013 through December 2013, FINRA found that in seven customer transactions D.A. Davidson failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under the prevailing market conditions. D.A. Davidson was censured and fined $22,500 and ordered to pay restitution to the clients impacted by the event. Although D.A. Davidson believed this was an isolated issue, additional controls were implemented to help prevent further violations, including technological controls to identify pricing variances on executed trades and processes to address such matters.

In May 2015, D.A. Davidson, without admitting or denying the allegations, consented to the findings of the Nasdaq Stock Market, LLC. ("NASDAQ") that it violated SEC Rule 101 of Regulation M by purchasing shares on a principal basis (i.e., a proprietary account) in 84 transactions, in its capacity as market maker while being a public offering distribution participant. In general Regulation M is designed to prevent or mitigate market manipulation and restricts the activities of distribution participants that could artificially influence a market for an offering. In addition, NASDAQ alleged D.A. Davidson's supervisory system was not reasonably designed to achieve compliance with the aforementioned securities laws, in violation of NASDAQ Rules 3010 and 2110. D.A. Davidson was censured and fined $17,500. Internal controls were also updated to help prevent any repeated violation, including enhancement to an internal watch list for securities in which D.A. Davidson is participating in the public offering.

Disciplinary Information Relating to Crowell Weedon Broker-Dealer Business

As noted above, prior to its acquisition by D.A. Davidson Companies, Crowell Weedon operated as an independent dually registered investment adviser and broker-dealer. The following is a summary of certain adverse disciplinary events relating to Crowell Weedon and previously disclosed by that firm, which may be material to a prospective client's decision of whether to retain D.A. Davidson to provide investment advisory services.

In August 2014, D.A. Davidson, without admitting or denying the allegations, consented to the findings that Crowell Weedon violated FINRA rules relating to the supervision of registration filings for its registered representatives (FINRA Form U4, Form U5 or NYSE 351(d) filings). More specifically, on 80 occasions from December 2007 through July 2012, Crowell Weedon filed late, inaccurate, or failed to file registration form amendments. The amendments generally related to reporting customer complaints, income tax judgments/liens, and outside business activities for Crowell Weedon's registered representatives. FINRA found the forgoing conduct to constitute separate and distinct violations of NASD Rule 3010(a) and 3010(b) and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter. As Crowell Weedon had since merged with D.A. Davidson, and as part of the agreement, the Firm consented to a censure and fine of $120,000.

Disciplinary Information Relating to SMITH HAYES Broker-Dealer Business

Prior to its acquisition by Davidson Companies SMITH HAYES also participated the SEC MCDC Initiative. An MCDC Order was issued by the SEC's Division of Enforcement in June 2015 for violations referred to therein that were self-reported by SMITH HAYES. This included allegations of anti-fraud provision, due diligence, and continuing disclosure failures for the underwriting of certain municipal securities offerings, and the offering of municipal securities on the basis of materially misleading disclosure documents (SEC Rule 15c2-12 violations). SEC found the official statements in 2011 and 2013 securities offerings failed to disclose that the municipal issuer had not filed any annual financial reports that it had previously undertaken to make since 2009 and failed to file required notices of late filings. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against SMITH HAYES arising for willfully violating Section 17(a)(2) of the Securities Act (an antifraud provision of the federal securities laws) in regard to the underwriting of certain municipal securities offerings. In connection with the MCDC SMITH HAYES paid a $40,000 fine to the SEC, and discontinued underwriting of certain municipal securities in early 2016.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

D.A. Davidson, a dually registered investment adviser and broker-dealer, is a wholly owned subsidiary of D.A. Davidson Companies, a financial services holding company. D.A. Davidson Companies' other subsidiaries, known as "Related Persons," are Davidson Investment Advisors, Inc., a federally registered investment adviser, and D.A. Davidson Trust Company ("Davidson Trust"), a federally chartered savings bank.

Broker-Dealer Services. D.A. Davidson is registered as both a broker-dealer and investment adviser. Financial Advisors engaged in providing advisory services (including through one or more Programs) are registered as investment adviser representatives in each state where such registration is required. Many D.A. Davidson Financial Advisors are also registered representatives of D.A. Davidson in its capacity as a broker-dealer. When acting as a broker-dealer, Financial Advisors provide brokerage and related services to clients, including in relation to the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, life insurance policies and annuities, and other products. These broker-dealer recommendations and any subsequent implementation are separate and distinct from the advisory services. See the D.A. Davidson Regulation Best Interest Disclosure at dadavidson.com/Disclosures for more information about D.A. Davidson's Brokerage Services.

Davidson Investment Advisors ("DIA"). Financial Advisors may refer institutional clients that meet certain minimum account size requirements to DIA in its capacity as an investment adviser. Financial Advisors may also recommend DIA as an investment manager in the SAM and UMA Programs. DIA also creates certain model portfolios for D.A. Davidson's use in MFP Access. While DIA receives additional compensation for doing so, clients are not charged differently for these portfolios than others in the MFP Program.

In addition, D.A. Davidson serves as the broker-dealer and custodian for some DIA clients.

Where clients make a non-discretionary decision for DIA to serve as the investment manager in the SAM or UMA Programs, the total management fee assessed to the client could be higher than the total fee a client would have paid had they engaged DIA directly to provide investment management services, when considering the fees to be paid to

D.A. Davidson and to Envestnet. Further information regarding fees, including the fees charged in the MFP, SAM, and UMA Programs, is provided in Item 4 above under Fees.

Where clients make a non-discretionary decision for DIA to serve as the investment manager in the SAM or UMA Programs the fees retained by the D.A. Davidson family of companies are higher than if a different investment manager was selected. Given this conflict, DIA is only permitted to be selected as a non-discretionary choice in the SAM Manager and UMA Select Programs. DIA is only available in UMA Discretion on an exception basis, except DIA is not available for retirement accounts in the UMA Discretion Program. The client must make the final decision to select DIA as the investment manager.

When D.A. Davidson Financial Advisors refer institutional high net worth clients to DIA to manage assets in its capacity as an independent investment adviser, a portion of the fees that clients pay to DIA (typically, 20%-60%, with the average being 43%) are taken into account when determining the Financial Advisors' compensation. Clients do not pay more for our affiliates' services as a result of the referral from client's Financial Advisor.

Davidson Mutual Funds. DIA is the investment adviser to Davidson Mutual Funds, an investment company registered under the Investment Company Act. U.S. Bank Global Fund Services acts as Davidson Mutual Funds' administrator and provides fund accounting and transfer agency services. D.A. Davidson offers the funds to its brokerage and certain advisory clients as described below. See D.A. Davidson's Regulation Best Interest Disclosures at dadavidson.com/Disclosures for information about recommending Davidson Mutual Funds as a broker-dealer.

D.A. Davidson is permitted to purchase or recommend the purchase of Davidson Mutual Fund shares in Paragon, Paragon CWAM and Choice Program accounts (other than in retirement accounts). The client will not be charged a fee or load for initial or subsequent purchases of Davidson Mutual Funds shares, and any purchase will be made at Net Asset Value. When Davidson Mutual Funds shares are held in an account participating in a Program, the client will pay a fee based on the fair market value of the assets in the account, including the fair market value of Davidson Mutual Funds shares held in the account. Any new purchases of mutual funds in an account participating in a Program must be in Class I shares subject to no 12b-1 Fee. D.A. Davidson provides no financial or other incentive for the Firm or any Financial Advisor to favor Davidson Mutual Funds over another mutual fund managed by an investment adviser not affiliated with D.A. Davidson.

DIA receives fees for advising the Davidson Mutual Funds. Those fees are based on the amount of assets held in the Davidson Mutual Funds, which increases with any new purchases of fund shares. The fees charged by DIA for managing the Davidson Mutual Funds are disclosed in the relevant fund's prospectus. As a mutual fund shareholder, investors indirectly pay a portion of the ongoing expenses of the relevant fund. These expenses include the management fee charged by DIA, and all other ongoing fees and expenses incurred in the administration of the Davidson Mutual Funds.

Purchasing or recommending the purchase of Davidson Mutual Funds in advisory accounts presents a conflict of interest by retaining more compensation in the D.A. Davidson family of companies. D.A. Davidson only allows D.A. Davidson affiliated funds to be used in the Paragon, Paragon CWAM and Choice Program accounts that are not retirement accounts. In addition, the compensation Financial Advisors receive does not differ depending on whether D.A. Davidson affiliated funds are selected for the client's account.

Further information regarding the Davidson Mutual Funds, including a copy of the Prospectus and Statement of Additional Information for the funds, is available on-line at: davidsonmutualfunds.com/. Prospective investors in the Davidson Mutual Funds should review these documents carefully before making any investment in a fund.

Davidson Trust Company. Financial Advisors may also refer clients to Davidson Trust to provide professional trust administration services, including recordkeeping, income distribution, bill paying, and general account administration. For making the referral, a portion of the fees that clients pay to DTC (50%) are taken into account when determining the Financial Advisor's compensation and those funds also generate payment at a 50% rate on their compensation grid, which may be higher than the rate for which they otherwise may have qualified. This fee sharing arrangement will not result in any increased charges to the client. Neither D.A. Davidson nor any Financial Advisor will provide trust support services for Davidson Trust as a result of the referral.

In addition, Davidson Trust may elect to hire DIA or a D.A. Davidson Paragon Manager as the investment adviser for certain client accounts over which Davidson Trust has investment discretion. Davidson Trust shares a portion of its investment management fee with the DIA for providing investment advisory services. D.A. Davidson Paragon Managers are paid at a 50% rate on their compensation grid as outlined above. This fee sharing arrangement creates a conflict of interest for D.A. Davidson, its Financial Advisors, and Davidson Trust because the total account administration and investment management fee is divided among Davidson Trust, the referring Financial Advisor, the investment adviser (i.e., D.A. Davidson or DIA), and D.A. Davidson Companies. However, when D.A. Davidson or DIA serve as the investment adviser for a Davidson Trust account, the total account fee for administrative and investment advisory services will be equal to or less than the total fees if the services were provided separately.

Davidson Trust may also administer accounts over which it does not have investment discretion. In such instances, the client may independently choose to hire a D.A. Davidson-related Paragon Manager to provide investment advisory services to the account. In these arrangements, the total fee to the client will include separate charges by Davidson Trust for account administration and by D.A. Davidson for investment advisory services.

San Pasqual Financial Holding Corporation ("San Pasqual Holdco"). San Pasqual Holdco is a privately held, California corporation. Certain D.A. Davidson employees, in their personal capacity, own a minority interest in San Pasqual Holdco (the "Davidson Owners"). San Pasqual Holdco is the sole owner of San Pasqual Fiduciary Trust Company, a California Corporation, which is a state-chartered financial institution and trust company and of San Pasqual Fiduciary Trust Company, a Nevada Corporation, which is a Nevada state-chartered financial institution and trust company (together, the "San Pasqual Trust"). San Pasqual Trust provides trust administration services and but does not manage trust assets. Instead, the San Pasqual Trust oversees investment managers managing such assets for and on behalf of their clients. San Pasqual Trust also acts as trustee for certain accounts for which D.A. Davidson provides brokerage or investment advisory services. Financial Advisors may refer clients to San Pasqual Trust for trust services, and San Pasqual Trust may allow the Financial Advisor to continue to manage the client's assets, but San Pasqual Trust is under no obligation to do so. As a trustee, San Pasqual Trust is also authorized to hire a Financial Advisor to manage a trust's investment assets. Although D.A. Davidson and San Pasqual Trust do not have any fee sharing or referral arrangements, the Davidson Owners and D.A. Davidson could benefit indirectly from referrals by each organization to the other, through the fees retained by the Firm to whom the client is referred. Otherwise, there are no financial incentives for a Financial Advisor to refer a client to San Pasqual Trust, or for San Pasqual Trust to refer a client to D.A. Davidson or a Financial Advisor. In providing investment management services, D.A Davidson is a fiduciary and is required to act in the best interest of its clients. San Pasqual Trust is also a fiduciary, and similarly has a duty to act in its clients' best interest. San Pasqual Trust has controls in place to provide impartial service, including in relation to the selection and ongoing oversight of investment managers. Accounts for which San Pasqual Trust acts as trustee are custodied at Reliance Trust Company, an FIS Company, which is not affiliated with D.A Davidson or Davidson Companies.

Outside Business Activities. Some D.A. Davidson Financial Advisors have been approved to conduct business activities that compete for their time, outside the scope of their duties with D.A. Davidson. If a client's Financial Advisor engages in any outside business activities, these activities can create an incentive for the Financial Advisor to spend more time on the outside business activity rather than on his or her relationships with advisory and other retail clients. All employees are required to obtain approval from their supervisor prior to engaging in such activities to help ensure the activity does not conflict with the duties with D.A. Davidson. In addition, any investment related activities or activities that provide a substantial source of the Financial Advisor's income or involve a substantial amount of the Financial Advisor's time must be disclosed on their Supplemental Brochure (ADV Part 2B).

CODE OF ETHICS AND PERSONAL TRADING

Code of Ethics. D.A. Davidson has adopted a Code of Ethics, which sets forth the standards of business conduct required of its employees, including compliance with applicable federal securities laws. The Code of Ethics applies to all D.A. Davidson employees providing, or supporting the provision of, investment advisory services to clients ("access persons"), and, among other things, communicates the Firm's fiduciary obligations when dealing with clients, imposes and explains rules related to trading by access persons in their personal securities accounts, and prohibits insider trading and other unethical business conduct.

The Code of Ethics is based upon the principle that D.A. Davidson owes fiduciary duties of loyalty and care to D.A. Davidson's advisory clients. These duties require the Firm, and its access persons, to: provide investment advice in the client's best interest; seek to obtain best execution of securities transactions in client accounts; and have a reasonable, independent basis for investment recommendations. D.A. Davidson access persons must also conduct their affairs, including when purchasing and selling securities in their personal securities accounts, in such a manner as to avoid: (i) placing their own personal interests ahead of client interests; (ii) taking inappropriate advantage of their position with the Firm; and (iii) creating any potential or actual conflicts of interest, or otherwise abusing their position of trust and responsibility. The Code of Ethics also prohibits Financial Advisors from placing personal transactions ahead of client transactions in the same security on the same day as he or she is placing a trade in a client's account. An exception to this policy is permitted when the access person's account is managed in the same manner as other client accounts and does not result in a more favorable price to the access person.

Clients may request a copy of the Code of Ethics by calling D.A. Davidson's Compliance Department at 406-727-4200 or 800-332-5915.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

There are various ways that D.A. Davidson can be viewed as participating or having an interest in transactions to which a client is a party. These situations and any conflicts of interest that arise from such activities, including in relation to the manner in which D.A. Davidson or an Affiliate executes securities transactions for a Program account or other account, are discussed in this section and throughout this Brochure.

Principal Trading. Subject to the requirements of applicable laws and regulations, D.A. Davidson may act as principal by purchasing securities for itself from, or selling securities it owns to, an account participating in a Program, but only on a case-by-case basis with written authorization from the client, and when it is in the best interest of the client to do so.

Principal Transactions may include, but are not limited to, trades in securities D.A. Davidson holds in its inventory or for which D.A. Davidson is a member of an underwriting syndicate. Client will pay the public offering price for securities purchased from an underwriter or dealer, including D.A. Davidson, involved in a distribution.

In addition to the advisory fee paid by a client, D.A. Davidson may realize profits from principal transactions with a client based on the difference between the price D.A. Davidson paid for the security and the price at which D.A. Davidson sold the security to the client, which may include a mark-up or mark-down from the prevailing market price, an underwriting fee, selling concession, or other incentive to execute the transaction. In trading as principal with a client, D.A. Davidson will have a conflict of interest because it will seek to maximize the benefit for its own account, while also seeking to obtain the best outcome for the client's account. The profit potential referred to above creates an incentive for D.A. Davidson to recommend a transaction in which D.A. Davidson acts as principal. In addition, D.A. Davidson may have an incentive to sell securities to clients' account because D.A. Davidson does not wish to hold the securities in its own inventory or because D.A. Davidson is part of an underwriting group and is compensated for distributing the security. Nonetheless, D.A. Davidson has a fiduciary duty to act in the best interest of clients and to seek to obtain best execution for its advisory clients. Furthermore, D.A. Davidson has adopted internal procedures intended to ensure that D.A. Davidson will not act in a principal capacity for any transaction in an advisory client's account (including an account participating in a Program), unless the terms of the transaction have been disclosed to the client, including the material information regarding D.A. Davidson's or the client's Financial Advisor's financial interest in the transaction, and the client has authorized the transaction in writing or the transaction is otherwise allowed by applicable law. Principal trades and new issues are not permitted in ERISA or IRA accounts.

Agency Cross Transactions. An "agency cross" transaction is a transaction in which D.A. Davidson acts as broker for the parties on both sides of the transaction. For its brokerage services, D.A. Davidson may receive compensation from both sides of the transaction. In acting for both sides of the transaction, the Firm will have a conflict of interest because, while it will generally seek to maximize the benefit from the transaction for both sides, D.A. Davidson will be compensated regardless of whether this objective is achieved. In the case of an advisory account, the client would also be paying an asset management fee based on the value of the assets in their account.

D.A. Davidson generally prohibits agency cross transactions for advisory clients, including for accounts participating in a Program. In rare instances, an exception may be made when D.A. Davidson determines that each respective transaction is consistent with the client's best interest and may reduce transaction and market impact costs. In such instances, D.A. Davidson, acting as investment manager, may recommend the sale of securities from an advisory client's account while at or about the same time recommending the purchase of the same securities for the account of another advisory client under certain conditions, including but not limited to the condition that D.A. Davidson would not receive any compensation from either side of the transaction and therefore not considered to be "acting as a broker" as defined in SEC Rule 206(3)-2 under the Advisers Act. Additionally, D.A. Davidson will seek to obtain the best execution of the transaction for each advisory client and will affect agency cross transactions only in accordance with the requirements of Rule 206(3)-2 under the Advisers Act, which also requires the client's informed consent prior to the completion of such transaction. No agency cross transactions may be affected for or on behalf of retirement accounts.

Fractional Shares Liquidations. Fractional interests in securities ("Fractional Shares"), representing a portion of a whole share for eligible securities, may arrive in a client's account as a result of several types of events: including, for example, dividend reinvestment programs (i.e., reinvested dividends in lieu of a cash payment), stock splits, or the division of a position in the underlying company (e.g. due to divorce). In certain circumstances, due to limitations with market and transfer infrastructure that does not support the sale or movement of Fractional Shares in exchange trade securities, a client's account may hold a Fractional Share in an equity or ETF position without any whole shares for the company in question. This may occur as the result of three scenarios described below. In each of the scenarios, D.A. Davidson will place orders to liquidate the fractional share on a principal transaction basis in order to monetize fractional shares on behalf of the customer where appropriate (see Principal Trading above for further information). In addition, D.A. Davidson has implemented procedures pursuant to conditions that must be met when liquidating Fractional Shares on behalf of a client on a principal basis. This includes, among other things, procedures to process the Fractional Share liquidation at no additional cost to the client, and to report the transaction in the client's trade confirm or monthly account statement. D.A. Davidson has implemented controls that would prevent the Firm from separately determining the timing of the principal transaction by automatically liquidating the fractional share once it accumulates into a whole share position for the underling company from other transactions. Further information on the Fractional Share liquidation procedures is also available upon request by contacting their Financial Advisor.

1. <u>Sell All Scenario</u>. In the event an order is placed to sell all the shares of a position with Fractional Shares the Fractional Shares will be sold from the client's account into D.A. Davidson's principal account at the same price and as of the same trade date as the whole shares on the following business day.
2. <u>Orphan Share Scenario</u>. In the event fractional shares arrive in an account after the whole shares are sold or

transferred out of the account due to an impending dividend reinvestment payment, the fractional shares will be sold from the client's account into D.A. Davidson's principal account at the share's closing price as of the dividend payment date, on the following business day.

3. Account Transfer Scenario. In the event a position with fractional shares is transferred out of a client's account a Fractional Share position will remain due to the limitations in the transfer infrastructure. In this case, the Fractional Shares will be sold from the client's account into D.A. Davidson's principal account as of the review date's previous business day's closing price.

BROKERAGE PRACTICES

In its capacity as an investment adviser, D.A. Davidson has a fiduciary duty to act in the best interest of clients and seek to obtain best execution for its advisory clients. This goes beyond simply minimizing individual transaction costs and includes an evaluation of the overall quality of trade execution, in aggregate, to maximize the total value achieved for clients. The following describes the order execution process, the factors that D.A. Davidson considers in selecting or recommending broker-dealers for client transactions, including orders placed by an investment manager in connection to applicable Program accounts, and other related matters.

Best Execution. D.A. Davidson typically provides trading and execution for Program accounts. However, investment managers can execute away from the Firm as described in this Item below under Transactions Executed Away. When selecting broker-dealers for the execution of a client transaction, D.A. Davidson evaluates the overall execution quality of client orders in aggregate to periodically assess which competing executing brokers offer the most favorable execution terms. Some of the factors considered by D.A. Davidson in determining where to direct an order are the execution speeds and costs, the opportunity to get a better price than what is currently quoted, execution capabilities, financial responsibility, the range and quality of services, and responsiveness to the adviser. In the case of fixed income securities, evaluations also could include among other things, a comparison of executions with publicly reported trade data under the prevailing market conditions, and based on the type of issue and transactions, access to quotations, accuracy of trade settlements, reporting, and communications.

D.A. Davidson makes a market in certain equity securities in its capacity as a broker-dealer. As a result, D.A. Davidson has a conflict of interest when it executes trades through its own broker-dealer for Program accounts. To help eliminate any conflicts the Firm does not execute any orders for the purchase and sale of equities in Program accounts.

Soft Dollar Benefits. Soft-dollar arrangements are the practice of paying brokerage firms for products and services such as research through directed trading and commission revenue. When engaging in soft dollar arrangements, investment advisers have a fiduciary obligation to make a good faith determination that any commissions paid by clients due to the directed trading are reasonable in relation to the value of the products and services received on behalf of the client. In addition, the investment adviser must ensure the soft dollar arrangements meet certain criteria under Section 28(e) of the Securities Exchange Act of 1934 and disclose any soft dollar arrangements to clients. **D.A. Davidson does not have any formal or informal soft dollar arrangements. However, some investment managers that execute transactions away from D.A. Davidson's trading platform have soft dollar arrangements with the broker-dealers orders are routed to.** Please refer to the Transactions Executed Away section below for further information. Clients are also encouraged to carefully review the soft dollar and other related disclosures in the investment manager's Form ADV Part 2A, when applicable to the management of their Program account.

Payment for Order Flow. Generally, the term "Payment for Order Flow" refers to payments that brokerage firms receive for routing clients' buy and sell orders to other firms or market centers for execution. D.A. Davidson does not accept cash payments in return for directing client order flow to particular institutions or market centers. However, as a Firm we sometimes accept discounts, rebates, reductions of fees or credits, which are generally based on the overall volume of trading activity that results from sending orders to particular market centers or exchanges.

Directed Brokerage. Some clients, when entering into an advisory relationship, may already have a relationship with a broker-dealer. In this circumstance, the client may instruct D.A. Davidson to execute all transactions through that broker-dealer. If the client directs D.A. Davidson to use a particular broker-dealer, the client understands, acknowledges, and agrees that D.A. Davidson will likely have no authority to negotiate commissions or to obtain volume discounts, and may be unable to achieve the most favorable execution terms for transactions made on behalf of the client's Program account. This practice may therefore increase the cost of such transactions in comparison to orders executed by broker-dealers selected by D.A. Davidson in the order routing process described above.

Order Aggregation. D.A. Davidson may, but is not required to, aggregate orders for the sale or purchase of the same security, placed on the same day for different client accounts managed under the same Program. This could include proprietary accounts managed under the same Program, such as the Firm's own accounts, accounts of Affiliates, D.A. Davidson employees (e.g., a Financial Advisor's personal account) and/or other persons related to D.A. Davidson. However, D.A. Davidson has controls in place to help ensure client trade allocations are fair and equitable and to prevent an employee/proprietary account from receiving a more favorable allocation than a client's account. Where order aggregation is employed, each account participating in an aggregated transaction will be charged or credited with the average price and, when applicable, its pro rata allocation of shares. For partial fills of orders in the Paragon

Program or Paragon CWAM, Paragon Managers allocate shares to client accounts on a pro rata basis. As noted above, there can be no assurance a Financial Advisor will purchase or sell the same securities for all such accounts participating in the same Program at the same time, or that the Financial Advisor will aggregate the client's orders with those of other clients. As a result, the client may receive different prices and executions for the same securities as compared to other clients making the same investment in that security. Orders for Choice Program accounts are not eligible for order aggregation because they are non-discretionary accounts where the Financial Advisor must obtain client's consent before executing a transaction.

Transactions Executed Away. Trading away or "step out" trading occurs when an investment manager (designated in the MAC, SAM, or UMA Programs) directs orders for and on behalf of a client's Program account away from D.A. Davidson's trading platform. Investment managers are required to seek to obtain best execution when placing trades for and on behalf of a client's Program account. To fulfill their best execution obligations, some investment managers will, from time to time, direct order flow away from D.A. Davidson. Clients may benefit from "step out" trading, which could result in price improvement, increased liquidity, and speed of execution of the trade. The investment manager could also direct orders away from D.A. Davidson's trading platform due to soft dollar arrangements (see "Soft Dollar Arrangements" above). **There are additional transaction costs associated with "step out" trading that are in addition to, and not included in, the asset-based fees charged for the Programs, or the fees charged by the investment manager.** The costs associated with "step out" trading are embedded within the execution price of the trade and, therefore, directly affect the value and performance of an investment portfolio. The impact of any additional transaction fees would also be compounded by the frequency of such transactions in a client's account. When a step out trade occurs in a client's account the client's trade confirmation will disclose the trade was executed away from D.A. Davidson and the additional transaction costs. D.A. Davidson does not receive any compensation for trades executed on a "step out" basis, and the fees paid for the management of client assets in a Program account do not change as a result of these types of transactions. To meet its best execution obligation, D.A. Davidson requires investment managers that route orders outside of the Firm's trading platform to certify their policy and procedures are reasonably designed to achieve compliance with the fiduciary duties and best execution requirements described above.

Trade Errors. It is D.A. Davidson's intention to effect transactions in Program accounts correctly, promptly, and in the best interests of clients. In the event an error occurs in the Firm's handling of these transactions, D.A. Davidson seeks to identify and correct the error as promptly as possible without disadvantaging the client. In general, in instances where D.A. Davidson is responsible for effecting the transaction incorrectly, the Firm will reimburse the client for any losses directly resulting from the trade error.

No Representations Regarding Unaffiliated or Unassociated Investment Managers. D.A. Davidson makes no representation regarding the future trading practices of any unaffiliated or unassociated investment manager in relation to its participation in any of the Programs. D.A. Davidson recommends that, before selecting any Program that relies wholly or partly on the investment advisory expertise and trade execution services of a unaffiliated or unassociated investment manager, the client carefully review that manager's Form ADV, Part 2A brochure, which includes additional information regarding that manager's brokerage practices.

REVIEW OF ACCOUNTS

Client Account Review. Accounts of clients participating in a Program are monitored by the client's Financial Advisor and are subject to review by the designated supervisor.

The client's Financial Advisor reviews the client's account at least annually. This review requires the Financial Advisor to perform an individualized review and update, as necessary, the client's Investment Profile. In addition, this review generally covers client's investment portfolio, performance, market conditions, investment restrictions, if any, and any changes to their investment or financial information to help ensure the Firm's investment decisions and services continue to be appropriate for the client. However, the client should immediately notify the Financial Advisor regarding any material change in the client's personal and/or financial circumstances to determine whether any review of and/or revision to the Investment Profile is warranted. Examples of material changes include, but are not limited to changes in net worth, employment status, marital status, family size, occupation, residence, health or income level, investment objective or risk tolerance (for example, changes based on market events).

Additionally, the designated supervisor reviews certain trading activity and account positions in Paragon, Paragon CWAM and Choice Program accounts relative to the client's account Investment Profile and securities transaction parameters, as provided in Item 6 above.

D.A. Davidson will address any reasonable restrictions in the manner described under each Program's description in Item 4 above.

Performance and Account Reports. D.A. Davidson generally provides reports to clients on the performance of their Program accounts on a quarterly basis, subject to exceptions. For example, performance reporting may not be available for account assets, or available with the same frequency, if they are not custodied at D.A. Davidson. Client performance reports usually include a portfolio valuation and typically show the asset allocation of the client's portfolio, changes in a client's portfolio, and account performance compared to a benchmark market index or indices (such as the S&P 500® Index, or the Barclays Aggregate Bond Index). Market indices or other benchmark returns are shown only for comparison purposes and may not be directly relevant to the client's assessment of the performance of their Program account. Performance returns reflect transactions costs (including from "step out" trading in the account), the appreciation or depreciation of assets held in the account, and the reinvestment of capital gains, dividends, interest, and other income received in the account. Clients should discuss with their Financial Advisor whether a report is available to them.

If D.A. Davidson provides custody services to a client participating in a Program, the client will receive a monthly D.A. Davidson account statement when activity occurs in the account during that month. At a minimum, a quarterly statement for the account is provided if there has not been any intervening monthly activity. If Program account assets are not custodied at D.A. Davidson, then the client will receive a periodic account statement directly from the qualified account custodian. D.A. Davidson is not responsible for the production of such third-party account statements and makes no representations regarding the accuracy or completeness of such statements. The third-party sourced statement is the official record of the Program account and the assets contained in it and should be reviewed carefully. The client should immediately notify their Financial Advisor if the client finds any discrepancies between the D.A. Davidson performance report and their custodian's account statement.

When preparing a client's account statements and performance reports, D.A. Davidson relies on third parties, such as security price-quotation service-providers and custodians, when determining the value of Program account assets. As noted elsewhere in this Brochure, D.A. Davidson believes the sources of this information to be reliable. However, D.A. Davidson does not review valuation information provided by third-party quotation service-providers or custodians, nor does the Firm verify or guarantee the accuracy or completeness of such information, or that the preparation or presentation of such information complies with any particular legal or regulatory requirements. Moreover, the security prices obtained by D.A. Davidson from a particular third-party quotation service-provider may differ from prices that could be obtained from other sources. If a client custodies Program account assets at a firm other than D.A. Davidson, the prices shown on a client's account statement provided by that custodian may be different from the prices shown on statements and reports provided to the client by D.A. Davidson due to different valuation sources utilized by D.A. Davidson and the custodian. In the event of a discrepancy between an official account statement and other reports or statements for the holdings and transactions in a client's Program account, the client's official account statement shall prevail.

CLIENT REFERRALS

Client Referrals. D.A. Davidson pays referral fees to independent third parties and firms (each, a "Promoter," and collectively, "Promoters") for introducing clients to D.A. Davidson. Whenever D.A. Davidson pays a referral fee, the Firm requires that the Promoter provide the prospective client with a copy of this Brochure and a separate disclosure statement at the time of solicitation that includes the following information: the Promoter's name and relationship with D.A. Davidson; the fact that the Promoter is being paid a referral fee; the amount of the referral fee; the conflict of interest created by the referral fee; and whether the Total Annual Fee paid to D.A. Davidson by the client will be increased above the firm's previously agreed fees in order to compensate the Promoter. In practice, the Total Annual Fee paid to D.A. Davidson by clients referred by Promoters are not increased as a result of any referral.

Davidson Trust also refers clients to D.A. Davidson. However, Davidson Trust is not compensated for such client referrals. Further information regarding the conflicts of interest associated with referrals and other business terms among D.A. Davidson and its Affiliates, and how D.A. Davidson addresses those conflicts, is included in the Other Financial Industry Activities and Affiliations section above.

OTHER COMPENSATION

Cash Management Program. **Please review the Cash Management Program Disclosure Statement available on the D.A. Davidson website at dadavidson.com/Disclosures for more information about how the Cash Management Program works, including limitations, restrictions, how changes are implemented and additional discussion of conflicts of interest. For current interest rates applicable to the cash management program see dadavidson.com/What-We-Do/Wealth-Management/Products-Services/Saving-Spending-Solutions/Cash-Management-Program. To obtain a copy of the disclosure document clients should contact their Financial Advisor.**

When D.A. Davidson acts as custodian for assets in an account participating in any of the Programs, the Firm utilizes the Cash Management Program, commonly referred to as a "sweep" program, to automatically deposit uninvested cash balances into an interest-bearing account maintained at one or more participating third-party banks (or in limited circumstances to an unaffiliated money market mutual fund) at the end of each business day. Uninvested cash may occur due to, among other things, the sale of securities, dividend payments, interest credited from bonds, and short-term allocations to cash in the account portfolio. Clients affirmatively consent to participation in D.A. Davidson's Cash Management Program by expressly electing it in the account application and signing the account agreement but can revoke this consent at any time by contacting their Financial Advisor. D.A. Davidson's cash sweep investment option for advisory accounts (other than ERISA and 403(b) accounts) is the Bank Insured Deposit Program ("BIDP").

D.A. Davidson (and its affiliates) receive important and significant compensation and benefits from client use of the BIDP. If we did not receive such compensation, which is in addition to the Total Annual Fee, the Total Annual Fee would generally be higher. Because the Total Annual Fee is generally charged on cash balances (, and cash balances generate compensation to D.A. Davidson through the cash management program, D.A. Davidson (and its affiliates) earn two levels of compensation on such cash balances in client advisory accounts. To mitigate this conflict of interest, for portfolios where D.A. Davidson or its Financial Advisors act as an investment manager (i.e., the MFP, Paragon, Paragon CWAM, Choice, and D.A. Davidson Wealth Management Research portfolios under SAM Manager), as of January 1, 2024, no more than 5% of the account is permitted to be held in cash for more than 90 consecutive days.

Cash deposits in the BIDP are held in deposit accounts by one or more banks not related to D.A. Davidson (collectively "Program Banks") and are generally eligible for Federal Deposit Insurance Corporation ("FDIC") coverage, in accordance with the terms and conditions of the BIDP and FDIC regulations. A list of Program Banks can be found at https://dadavidson.com/Portals/0/bus-wm/bank%20list/Priority_Bank_List.pdf. Program Banks are selected through a vetting process conducted by D.A. Davidson. Cash deposits in any one bank participating in the BIDP are managed so they do not exceed applicable FDIC insurance limits at any single bank (currently $250,000 for most insurable capacities or $500,000 for joint accounts of two or more). Once funds equal to the applicable deposit limit have been deposited in each Program Bank, any additional funds above such deposit limits will be deposited into a money market fund. **Client, however, is responsible for monitoring the total amount of deposits (including CDs) client may hold with a bank outside of the BIDP to ensure applicable FDIC insurance limits are not exceeded.** In the event that funds are swept to a money market fund, those funds will not be covered by FDIC insurance, but are covered by Securities Investor Protection Corporation ("SIPC").

D.A. Davidson performs management, accounting, recordkeeping, and other services associated with offering BIDP to clients in a Program. Client accounts in a Program that are not IRAs, ERISA plans or 403(b) accounts participate in the Traditional BIDP. Under the Traditional BIDP, D.A. Davidson is compensated for providing those services based on a percentage of the average daily deposit balance in the client's BIDP account(s) at the Program Banks. Moreover, D.A. Davidson has discretion in determining how much of the interest rate paid by the Program Banks is paid to the client, and how much is retained by D.A. Davidson as its compensation. Because D.A. Davidson has discretion over the amount of the interest paid by the Program Banks it retains and the amount paid to the client, D.A. Davidson has a conflict of interest. Under the Traditional BIDP, D.A. Davidson keeps most of the interest revenue it receives from the Program Banks as its fees. As a result, D.A. Davidson has a significant incentive and a conflict of interest in offering the Traditional BIDP. The amount of interest from Program Banks that is credited to client accounts depends on the account's Interest Rate Tier, which in turn depends on the client's Household Balance. In the Traditional BIDP, the compensation to the Firm significantly exceeds the amount of interest that we credit to client accounts, particularly at the lower Interest Rate Tiers. Upon a client's request, the D.A. Davidson Financial Advisor will provide client with specific detail about client's account's Interest Rate Tier, the amount of interest revenue from the Program Banks that we keep (or that is paid to our third-party service provider for the BIDP), and the amount of interest revenue that is credited to client's account. Clients should ask their D.A. Davidson Financial Advisor for this information if they wish to receive it.

At any given time, Program Banks will generally be paying D.A. Davidson different interest rates notwithstanding that client accounts will receive the same interest rate, subject to applicable interest rate tiers, regardless to which Program Bank(s) their funds are actually swept, creating an incentive for us to direct BIDP deposits to banks (through how the BIDP bank priority list(s) are designed or changed from time to time) that result in us receiving greater compensation or complying with contractual requirements. We receive more compensation with respect to amounts in the Traditional BIDP than when clients sweep their funds into a money market fund. The fees we receive in connection with BIDP create a conflict of interest and incentive for us to offer or designate the BIDP as the cash sweep option for client accounts. **The more client deposits held in BIDP deposits and the longer such deposits are held, the greater the compensation we receive.** BIDP is currently the only sweep option available for D.A. Davidson U.S. clients (other than for IRAs, ERISA plans and 403(b) accounts).

Changes in the Federal Funds Rate (or other applicable factors) will not immediately affect interest rates paid to D.A. Davidson or interest rates paid to clients under Traditional BIDP. Accordingly, the interest rate clients receive on BIDP deposits will be lower than the interest rates paid by the banks under BIDP and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC insured, such as money market mutual funds and (ii) on bank deposits offered outside of the BIDP. D.A. Davidson may, in its sole discretion, as applicable, change its applicable BIDP compensation and any such reductions or increases may vary between clients.

Advisory BIDP. Client accounts in a Program that are IRAs participate in the Advisory BIDP. Under the Advisory BIDP, D.A. Davidson receives a level monthly fee for each IRA participating in a Program that utilizes the BIDP (the "IRA Advisory Sweep Fee"). The monthly IRA Advisory Sweep Fee is determined based on the Federal Funds target interest rate expressed in basis points, subject to a maximum of $15.00 per account. D.A. Davidson's fees in connection with the BIDP will be paid from the total amounts paid by the Program Banks. For Program IRA accounts participating in the BIDP, the Firm's fees, and those paid to its third-party vendor, reduce the interest rates that are credited to client accounts. As a result, D.A. Davidson has a significant incentive and a conflict of interest in offering the Advisory BIDP.

ERISA and 403(b) Accounts. Advisory ERISA and 403(b) accounts do not participate in the BIDP. For ERISA, 403(b) advisory accounts and other accounts designated by D.A. Davidson from time-to-time, client will be placed in a money market fund available for the Cash Management Program offered by D.A. Davidson (the "Money Market Fund"). As with BIDP, un-invested cash balances in ERISA and 403b plan advisory accounts are automatically swept into the Money Market Fund.

Conflicts of Interest for the Cash Management Program. Clients should understand that we charge an asset-based Total Annual Fee on the entire account balance within a Program (including any swept cash), and on the cash in the BIDP, the portion of interest revenue we keep from the Program Banks is an additional fee we receive on top of the Total Annual Fee (subject to the limits for certain programs discussed above). This means that we and/or our affiliates earn two levels of fees on the same cash balances in clients' account. All or a portion of a client's account may be in cash. With respect to investment advisory accounts, in certain interest rate environments the interest client earns in the BIDP can be less than the advisory fee client pays on those assets. Also, under certain market conditions, cash allocations result in lower overall portfolio performance – for example, when other assets outperform cash. D.A. Davidson receives more fees from the Traditional BIDP and Advisory BIDP than from other cash sweep programs, such as the money market mutual funds we offer for cash management purposes.

For these reasons, D.A. Davidson has an incentive to utilize BIDP as the sweep option, and to encourage clients to use the BIDP, as it increases total revenue to our Firm, and usually increases our Firm's revenue significantly more than other sweep programs. Likewise, D.A. Davidson has an incentive to maintain more cash in Program accounts, since doing so causes us to receive additional fees on top of the Total Annual Fee. However, Financial Advisors do not receive any portion of this compensation related to our cash sweep program and the cash sweep program option must be selected by the client on a fully disclosed basis. In addition, for portfolios where D.A. Davidson or its Financial Advisors act as an investment manager (i.e., the MFP, Paragon, Paragon CWAM, Choice, and D.A. Davidson Wealth Management Research portfolios under SAM Manager), as of January 1, 2024, no more than 5% of the account is permitted to be held in cash for more than 90 consecutive days. D.A. Davidson also has controls in place to monitor cash positions in Program accounts for suitability with the investment policy, objective or strategy implemented.

Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Program Banks have the financial incentive to pay as low of funding rates, as the market will permit. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

Given the conflicts discussed above, each client should consider the importance of BIDP to us when evaluating our total fees and compensation and deciding whether to enroll in the BIDP.

The applicable terms and conditions of the BIDP are included in the "Cash Management Program" section of the Advisory Agreement. Other important information concerning the Cash Management Program, BIDP and the Money Market Fund are also available in the Cash Management Program Disclosure Statement available on the D.A. Davidson website at dadavidson.com/Disclosures or upon request. Prospective changes in regulations applicable to money market funds may impact how some money market funds are managed and disclose information, as well as the costs and expenses of those funds. Further information regarding each money market fund is available in the relevant fund's prospectus.

Other short-term, cash-equivalent investments are available to clients for purchase through D.A. Davidson. These other investments, however, which can provide for higher rates of return, are not part of the Cash Management Program, and will not offer an automatic cash sweep feature. Any cash awaiting investment or reinvestment not participating in the Cash Management Program will not earn interest. For more information, clients should contact their D.A. Davidson Financial Advisor. Clients can terminate their participation in the Cash Management Program at any time by contacting their D.A. Davidson Financial Advisor.

Revenue Sharing Arrangements. Some issuers and sponsors of investments we recommend share with D.A. Davidson a portion of their revenue. These payments, sometimes called "revenue sharing" payments, are usually based on the total amount of sales we make of their investments or the total amount of client assets invested with them. This creates an incentive for our Firm to include on our platform, and encourage the purchase of, investments whose issuers and sponsors share revenue with us, and share more revenue with us than others. D.A. Davidson does not share these payments with our Financial Advisors, to reduce any financial incentive they might have to recommend revenue-sharing investments over others. **A list of the investment product issuers and sponsors who provide D.A. Davidson with revenue sharing payments is furnished in the Exhibit of D.A. Davidson's Regulation Best Interest Disclosures document and is available upon request**.

Recordkeeping/Shareholder Servicing Fees. For some investment products, such as mutual funds and advisory variable annuities, D.A. Davidson receives ongoing fees for recordkeeping and other shareholder or administrative services. For example, D.A. Davidson receive fees in connection with mutual fund investments for sub-accounting and sub-transfer agent services in respect of our clients (but does not retain those fees for qualified advisory accounts). The Firm receives these fees for tracking fund ownership among our client accounts, distributing prospectuses, processing transactions on an omnibus basis and similar services. These fees create an incentive for D.A. Davidson to make available on our platform, and encourage the purchase of, investments who pay the Firm for such services, and pay the Firm more than others pay.

As a percentage of client assets held in investment products for which D.A. Davidson receives these types of fees, the total such fees the Firm would receive in most years is 0.05-0.07%. Because D.A. Davidson generally provides these types of services on an omnibus (across-the-board) basis, the fee rates the Firm receives typically do not vary materially within categories of products (for example, from one mutual fund to another mutual fund). D.A. Davidson does not share these recordkeeping or other shareholder service fees with our Financial Advisors.

Education and Marketing Support. Some investment product sponsors contribute to or reimburse D.A. Davidson for the cost of educational events and marketing events for our Financial Advisors. This could include paying for travel, meals, entertainment and attendance at educational conferences, training events and due diligence trips for our Financial Advisors. These events provide our Financial Advisors with additional opportunities to be educated about services and investments that can be offered to existing and potential clients. Some of these events, which are hosted by D.A. Davidson, are offered in multiple tiers – this means that product sponsors pay different amounts and as a result receive different levels of benefits. For example, these different benefits might include having their speaker at a main session versus a breakout session, a more prominent display in the materials used in connection with the event, etc.

These payments provide an incentive for D.A. Davidson and our Financial Advisors to recommend investment products whose sponsors provide these additional support payments to us, and those who make higher support payments, than others. D.A. Davidson imposes an internal review and approval process to ensure that these payments are not unreasonably high (or otherwise inappropriate) under the circumstances. Additionally, and we do not permit payments for educational and marketing events to be made directly to our Financial Advisors. **A list of the investment product sponsors who provide our Firm with payments and reimbursements in support of our education and marketing efforts is furnished in the Exhibit to the Regulation Best Interest Disclosures and is available upon request.**

Gifts from Sponsors. D.A. Davidson Financial Advisors sometimes receive additional non-cash compensation from investment product sponsors. This compensation includes such items as gifts valued at less than $100 annually, an occasional dinner or ticket to a sporting or entertainment event, or reimbursement for branch marketing expenses, including client events. These payments provide an incentive for our Financial Advisors to recommend investment products whose sponsors provide these forms of compensation. To mitigate these incentives, our Firm imposes an internal review and approval process for non-cash compensation provided to our Financial Advisors.

Production/Compensation Grid. The single most important factor affecting client's D.A. Davidson Financial Advisor's cash compensation is the total amount of revenues he or she generates for the Firm, which is sometimes referred to as his or her "production." Specifically, the primary cash compensation we pay to each of our Financial Advisors (which is determined and paid on a monthly basis) is a percentage share of his or her production, which is generally between 25% and 51%. For each of the Firm's Financial Advisors, the exact percentage he or she receives for a given month is determined primarily according to his or her production over the previous six (6) month period, and industry tenure with our Firm, as set forth in our compensation grid. D.A. Davidson's compensation grid has thresholds or bands that enable the Financial Advisor to increase his or her compensation through an incremental increase in sales.

A Financial Advisor has an incentive to maximize their ongoing production, because the higher it is over the previous six (6) month period, potentially the greater share he or she will receive for that current month. Stated simply, increasing his or her production potentially entitles the Financial Advisor to receive a larger share of a larger dollar figure. Therefore, the Financial Advisor has a strong financial incentive to recommend advisory Programs generally and Programs that pay us higher revenues that increase his or her production-eligible revenue over the long term.

D.A. Davidson has adopted and enforces policies and procedures intended to help ensure the Firm and its Financial Advisors comply with our fiduciary duties. In addition, under our compensation grid, the percentage of production that the Financial Advisor will receive as cash compensation is determined on a month-by-month basis over a 6-month lookback period, and the grid includes a number of incremental rate steps. These features are intended to help manage the incremental compensation increases that our Financial Advisors can achieve for discrete sales, or for sales over a short period.

Also, certain revenues we receive as a Firm do not count toward the Financial Advisor's production, such as margin interest and other fees described in Item 4 above under Other Fees and Expenses, payments from third-party banks that participate in our cash management program, recordkeeping, sub-accounting and other administrative service fees from mutual funds, and certain revenue sharing payments.

Other Bonuses and Awards. Financial Advisors can earn deferred performance awards of up to 5.5% of their annual production, which are payable in cash or stock of D.A. Davidson's parent company and are subject to five-year cliff vesting. Financial Advisors with over seven (7) years' tenure with the Firm can also earn additional loyalty bonuses of up to 4.5% of their annual production. These awards and bonuses are based largely on each Financial Advisor's tenure with our Firm and production as of the end of a performance measurement period (which is typically September 30, the end of D.A. Davidson's fiscal year). Typically, each Financial Advisor is eligible to receive bonuses and awards with respect to any single year that total up to 10% of his or her production.

Upon qualified retirement, Financial Advisors can receive compensation through the sharing of gross production generated from their transitioned book of business, generally over the course of four years after the end of their employment. In addition, Financial Advisors can receive an additional gross production premium of 5.0% to 12.5%, depending on firm tenure, reoccurring revenue mix, and productivity.

Based on their production and other factors, Financial Advisors can also earn awards in the form of non-cash compensation (i.e., rewards trips), larger expense allowances (up to 1.5% of production) and additional "concierge" support services.

The conflicts created by these additional incentives are particularly acute toward the end of the applicable performance measurement period (which is typically September 30, the end of D.A. Davidson's fiscal year). To mitigate the conflict related to measuring additional incentives at our fiscal year end, the Firm conducts specific surveillance of Financial Advisor's activity levels during this period. Additionally, to earn certain bonuses and awards, a Financial Advisor must be in good standing with the Firm's policies and procedures.

Team Formation. The Firm supports a team formation process with minimum production requirements that permit a Financial Advisor to earn compensation based on both their own production and that of their teammates. This creates the same conflicts of interest identified under Production/Compensation Grids and Other Bonuses and Awards.

New Recruit Incentives. When some of our Financial Advisors are new recruits to our Firm, we grant them expense allowances, forgivable loans – in other words, loans that can be repaid through bonus payments that these Financial Advisors can earn by remaining employed with our Firm over a period of years (typically nine (9) years). In many cases, for the first year in which a new Financial Advisor is employed with our Firm, we offer him or her a fixed compensation grid, which may be higher than the grid for which he or she otherwise may have qualified. We also offer some new Financial Advisors one of the three following incentives: (i) an increased compensation grid on future advisory fees and commissions if he or she meets certain production goals; (ii) additional forgivable loans if he or she reaches certain production goals; or (iii) additional forgivable loans if he or she brings certain amounts of assets to our Firm.

These incentives encourage Financial Advisors to recommend that clients move additional assets to our Firm and, for (i) and (ii) above, to recommend advisory Programs generally and Programs that pay us higher revenues that increase his or her production-eligible revenue. These additional forms of compensation are typically earned over the course of a few years where they are tied to performance measures of twelve (12) consecutive month periods, to help reduce the incentive our new recruits might have to achieve large sales volume over shorter periods. Additionally, clients that have an existing relationship with a Financial Advisor who joins our Firm will be furnished with an educational document prepared by FINRA that discusses conflicts of interest resulting from moving their account to our Firm. Also, while new recruits are usually eligible for expense allowances (as described above under "Other Bonuses and Awards"), they typically are not eligible for deferred performance awards while they qualify for a fixed compensation grid and are not eligible for loyalty bonuses because they have not yet earned seven (7) years' tenure.

Certain Manager Incentives. D.A. Davidson's managers, directors and supervisors oversee the sales and marketing activities of our Firm. The compensation of our Branch Office Managers ("BOMs") is tied in part to the production levels of branches over which they have managerial or supervisory responsibility. The tying of BOMs' compensation to the production of the branches they supervise incentivizes them to spend more time on increasing production levels than on their supervisory responsibilities. Only BOMs are compensated in this fashion. Our Firm has other management and supervisory personnel who participate in the supervision and oversight of our branches, regions, and Firm generally, and who are not compensated based on production levels. However, the BOMs have ultimate supervisory and oversight responsibility for their branches.

Mutual Fund 12b-1 Fees. As noted above in the Additional Fee Information section of this Brochure, certain mutual fund share classes pay D.A. Davidson a 12b-1 Fee, which is an annual marketing and distribution fee. The payment of this fee creates a conflict of interest for the Firm because it could cause Financial Advisors to recommend that accounts participating in a Program purchase and hold share classes of mutual funds that pay the 12b-1 Fees rather than share classes of mutual funds that do not pay 12b-1 Fees. Client should be aware that 12b-1 Fees also negatively impact the investment performance of the relevant mutual fund share class, due to the effects of these compounded expenses to the fund over time. However, D.A. Davidson addresses the consequences of this conflict of interest through disclosure of it in this Brochure, and also requires that any new purchases of mutual funds in Program accounts be in a share class that does not pay a 12b-1 Fee whenever such a share class is available to the client. D.A. Davidson will also pass on and rebate to the client participating in a Program any 12b-1 Fee received by the Firm in connection with mutual fund shares held in that client's account. Additionally, D.A. Davidson uses commercially reasonable efforts to convert any existing Program account mutual fund holdings in a 12b-1 Fee-paying share class to shares of a class that does not pay a 12b-1 Fee, when consistent with the client's investment objectives, asset allocation, and other circumstances.

FINANCIAL INFORMATION

D.A. Davidson is required to disclose any financial condition that is reasonably likely to impair the Firm's ability to meet its contractual obligations. D.A. Davidson has no such financial circumstance to report.

Under no circumstances does D.A. Davidson require or solicit payment of fees in excess of $1,200 more than six months in advance of services rendered.

David Bland, CWS®
Senior Vice President,
Financial Advisor,
Portfolio Manager

The Strength of Advice®

David Bland helps his clients create investment goals and employ strategies that are unique to them. These strategies evolve through all stages of life. As a Certified Wealth Strategist®, David uses custom portfolio management to assist clients with Wealth and Legacy Planning.

David is originally from St. Louis, Missouri and joined Crowell Weedon in 1984, which was later merged with D.A. Davidson in 2013. David graduated from Pasadena College with a degree in Business Administration and is actively involved with the Los Angeles Rotary and the Knights of Columbus. In his free-time, David enjoys horticulture, live music, reading, and spending time with his wife Cheryle, and children Justin, Kelly, Alison, and Ryan.

The D.A. Davidson Difference

Since 1935, the financial professionals at D.A. Davidson have offered the best in personalized service to individuals, families, businesses and institutions. We believe there is only one way to navigate through the wealth of financial service options: straight forward. We offer clear strategies with smart solutions that match your goals and show you the path to achieve them. Our approach is rooted in the values of our employee-owned company that is as independent as you are.

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Item 1 – Cover Page

David Bland, CWS®
Senior Vice President, Financial Advisor, Portfolio Manager

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October 10, 2023

This brochure supplement provides information about David Bland that supplements the D.A. Davidson & Co. brochure. If you have any questions about the contents of this brochure, please contact your Financial Advisor or Branch Office. Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about David Bland is available on the SEC's website at adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of birth: 1956

Educational Background:
Associate of Arts in Business Administration
Pasadena City College - 09/1975 to 06/1982

Attended Courses in Business Administration
Golden West College - 09/1979 to 06/1980

Business Experience:
Senior Vice President, Financial Advisor, Portfolio Manager
D.A. Davidson & Co. - 08/2013 to Present
Investment Related: Yes

Partner, Investment Advisor Representative
Crowell Weedon & Co. - 06/1984 to 08/2013
Investment Related: Yes

Professional Designation(s):
Designation Name: CWS® - Certified Wealth Strategist (11/2015)

For an explanation of the minimum qualifications required for this designation, see the last page of this brochure.

Item 3 – Disciplinary Information

This item discloses all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Mr. Bland. Mr. Bland does not have any events that are applicable to this item.

Item 4 – Other Business Activities

Mr. Bland is engaged in the following investment-related activities that could create a conflict of interest with clients, or activities that involve a substantial source of income or amount of time.

- Mr. Bland is registered with D.A. Davidson, a dually registered investment adviser and broker-dealer that offers both brokerage and advisory services, which are separate and distinct from each other. Generally, the Firm and its Financial Advisors have an incentive to recommend investment advisory services over brokerage services because the Firm and Financial Advisor receive ongoing fees for advisory services. In its capacity as a broker-dealer, the Firm and its representatives receive compensation based on transactions in securities and other investment products, as well as ongoing 12b-1 fees from sale of mutual funds, creating an incentive to recommend investment products based on compensation received. For additional information, please review the Firm's Form Client Relationship Summary ("Form CRS"), which provides information about the differences between brokerage accounts and advisory accounts.

Item 5 – Additional Compensation

Mr. Bland does not receive any additional economic benefit for providing advisory services.

Item 6 – Supervision

Activity in your account is reviewed by D.A. Davidson & Co. supervisors at various levels. Annually, Mr. Bland attests to his understanding and compliance with the policies and procedures relating to advisory business he conducts. A supervising principal reviews all account opening paperwork before an account is opened and a surveillance program monitors ongoing activity. In addition, Mr. Bland's branch office is subject to periodic compliance review which includes a review of client files among other things.

Mr. Bland's supervisor is Steven Stahlberg, Senior Vice President, Financial Advisor, Branch Manager, Market Director and can be reached at (866) 844-8609.

Certified Wealth Strategist® or CWS®
(Accredited Sponsor - Cannon Financial Institute)
https://www.cannonfinancial.com/certified-wealth-strategist

The Certified Wealth Strategist® (CWS®) is a certification for professionals who serve affluent and high-net-worth market segments in the financial services industry, conferred by Cannon Financial Institute, Inc. (Cannon). CWS® prerequisites include either: three years of financial services industry experience with direct client interaction and a four-year degree from an accredited college or university; or five years of industry experience. Candidates must also complete Cannon's Certified Wealth Strategist® Program of Study, which includes: 1) two instructor-led training sessions; 2) a self-directed study on numerous wealth management issues; 3) complete the institutes Capstone Project; and pass the CWS® exam. CWS certified professionals are required to complete a minimum of 33 hours of continuing education credits every two years, report violation of the Responsibilities of a Certified Wealth Strategist® to the CWS® Advisory Board, complete the attestation of compliance with Regulatory Authorities and CWS® Code of Ethics, and payment of renewal fees. [CWS® or Certified Wealth Strategist® are the property of Cannon Financial Institute.]

Eric Garrison, CPFA®
Financial Advisor

The Strength of Advice®

I bring 30 years of experience as a financial advisor to help individuals grow and preserve their wealth through effective planning and portfolio management. Ultimately, I help clients through key life moments. I am committed to serving my clients who are high net worth professionals, business owners, and retirees.

In 2019 I joined the Roseville office of D.A. Davidson following six years with Morgan Stanley. I previously worked with Prudential Securities, Wachovia Securities, and RBC Dain Rauscher, and also consulted for large companies in the Power & Energy industry. It's pretty safe to say I've seen a lot of change. The one thing that doesn't change is clients wanting to feel confident in their financial decisions, especially as their lives evolve.

My background in consulting for Fortune 500 Energy companies, along with my finance and portfolio management experience, helps me navigate sophisticated wealth planning issues for clients. I recognize the signs of complex financial needs and have successfully delivered solutions for multi-generational families, including those that require outside counsel with CPAs, Enrolled Agents, Insurance Experts, and Estate Planning and Real Estate Attorneys.

I am active in my community and served as a board member and Treasurer for the Sacramento Society for the Prevention of Cruelty to Animals for three years. He also has participated in community service programs such as Big Brothers Big Sisters and the Sacramento Student Buddy Program, a mentoring program for Sacramento area students.

I graduated from California State University at Sacramento with a bachelor's degree in business administration with a finance concentration. I have lived in Northern California for the past 30 years and currently live in Roseville with my daughter, Olivia, and niece, Greta. When not at work, I enjoy spending time with family, fishing, golfing and staying active.

The D.A. Davidson Difference

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Part 2B of Form ADV: Brochure Supplement

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Item 1 – Cover Page

Eric V. Garrison, CPFA®
Vice President, Financial Advisor, Portfolio Manager

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Website: dadavidson.com

December 09, 2024

This brochure supplement provides information about Eric V. Garrison that supplements the D.A. Davidson & Co. brochure. If you have any questions about the contents of this brochure, please contact your Financial Advisor or Branch Office. Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Eric V. Garrison is available on the SEC's website at adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Year of birth: 1969

Educational Background:
Bachelor of Science in Finance
Cal State University Sacramento - 06/1990 to 12/1993

Business Experience:
Vice President, Financial Advisor, Portfolio Manager
D.A. Davidson & Co. - 09/2019 to Present
Investment Related: Yes

Financial Advisor
Morgan Stanley - 04/2013 to 09/2019
Investment Related: Yes

Professional Designation(s):
Designation Name: CPFA® - Certified Plan Fiduciary Advisor

For an explanation of the minimum qualifications required for this designation, see the last page of this brochure.

Item 3 – Disciplinary Information

This item discloses all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Mr. Garrison. Mr. Garrison does not have any events that are applicable to this item.

Item 4 – Other Business Activities

Mr. Garrison is engaged in the following investment-related activities that could create a conflict of interest with clients, or activities that involve a substantial source of income or amount of time.

- Mr. Garrison is registered with D.A. Davidson, a dually registered investment adviser and broker-dealer that offers both brokerage and advisory services, which are separate and distinct from each other. Generally, the Firm and its Financial Advisors have an incentive to recommend investment advisory services over brokerage services because the Firm and Financial Advisor receive ongoing fees for advisory services. In its capacity as a broker-dealer, the Firm and its representatives receive compensation based on transactions in securities and other investment products, as well as ongoing 12b-1 fees from sale of mutual funds, creating an incentive to recommend investment products based on compensation received. For additional information, please review the Firm's Form Client Relationship Summary ("Form CRS"), which provides information about the differences between brokerage accounts and advisory accounts.

Item 5 – Additional Compensation

Mr. Garrison does not receive any additional economic benefit for providing advisory services.

Item 6 – Supervision

Activity in your account is reviewed by D.A. Davidson & Co. supervisors at various levels. Annually, Mr. Garrison attests to his understanding and compliance with the policies and procedures relating to advisory business he conducts. A supervising principal reviews all account opening paperwork before an account is opened and a surveillance program monitors ongoing activity. In addition, Mr. Garrison's branch office is subject to periodic compliance review which includes a review of client files among other things.

Mr. Garrison's supervisor is Steven Stahlberg, Senior Vice President, Financial Advisor, Branch Manager, Market Director and can be reached at (866) 844-8609.

Certified Plan Fiduciary Advisor, or CPFA®
(Accredited Sponsor - National Association of Plan Advisors (NAPA), an affiliate organization of the American Retirement Association)
https://www.napa-net.org/CPFA

The Certified Plan Fiduciary Advisor (CPFA®) designation is issued by National Association of Plan Advisors specializing in retirement plans based on ERISA. While there are no prerequisites to begin the program, candidates must complete required courses and pass the Certified Plan Fiduciary Advisor three hour exam. CPFA certified professionals are required to complete 10 hours of continuing education, renew NAPA membership or NAPA credential maintenance fee and complete the NAPA Code of Conduct annually. [Certified Plan Fiduciary Advisor and CPFA® are certifications of National Association of Plan Advisors. Qualified Plan Financial Advisor and QPFA has the same criteria as CPFA based on FINRA's professional designation website.]

D.A. Davidson & Co. member SIPC

Regulation Best Interest Disclosures

Effective Date: May 31, 2024

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1. Important Information About This Disclosure

As a valued retail client of D.A. Davidson & Co. ("D.A. Davidson" or "we" or our "Firm"), we are providing you with this Regulation Best Interest Disclosure ("Reg BI Disclosure") to help you better understand the services we offer and our relationship with you. This Reg BI Disclosure applies to all brokerage accounts and brokerage investment recommendations made to you by D.A. Davidson and should be utilized as a reference tool throughout your relationship with our Firm.

Among other things, this Reg BI Disclosure addresses the:

- **scope and terms** of our relationship with you,
- **capacity** in which we are acting,
- **type and scope** of our brokerage services,
- **material limitations** on our brokerage services,
- **conflicts of interest** that our Firm and our financial professionals have when we recommend investments to you as your broker, and
- **fees and costs** associated with your account(s), holdings, and transactions.

In order to help you get the most value out of this Reg BI Disclosure, we encourage you to read it carefully along with our Firm's *Form CRS – Client Relationship Summary ("Form CRS")*, which, along with this Reg BI Disclosure, is available at dadavidson.com/Disclosures. Copies of both are available, at no cost to you, upon request. This Reg BI Disclosure also references a number of additional sources of information, along with details on how you can access them, and we encourage you to refer to them.

It is important to understand when, and how, the discussions in this Reg BI Disclosure apply to you:

- First, this Reg BI Disclosure applies only on and after the effective date listed on the cover page. This is the case even if you received it before the effective date.
- Second, this Reg BI Disclosure generally applies only to our brokerage services. Specifically, in Section 2.1 (Our Capacity) we explain the distinction between the services we offer in a broker-dealer (brokerage) capacity, and the services we offer in an investment adviser (investment advisory) capacity.
- Third, this Reg BI Disclosure applies only to D.A. Davidson's relationship with our "retail clients" – essentially, this term means individuals (including their legal representatives) to whom we provide investment recommendations that are used primarily for personal, family, or household purposes.[1] The investments and services we offer to retail clients are sometimes referred to as our "Wealth Management" platform. You are not a retail client if you are acting in a professional, corporate, or in certain circumstances a fiduciary capacity to an employer sponsored benefit plan.

Where we provide investment recommendations and other services to, or on behalf of, other types of investors (for example, foundations or other institutional account holders, corporations, pension plan trustees, etc.), these relationships will be subject to different rules.

2. Scope and Terms of Our Relationship with You

D.A. Davidson is registered with the Securities and Exchange Commission (the "SEC") as both a broker-dealer and an investment adviser. Our brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Depending on your financial circumstances and needs, and certain other factors, you may choose our Firm's brokerage services, investment advisory services, or both. There are important differences between brokerage and advisory services, including their costs, the specific services we provide, and the rules that govern them. You should carefully consider these differences when deciding which type(s) of services and accounts are right for you. Information regarding the differences between our brokerage and advisory services is also provided in our *Form CRS*.

2.1. Our Capacity

All recommendations made by D.A. Davidson and your D.A. Davidson financial professional regarding your brokerage account(s) will be made in a broker-dealer capacity, and all recommendations regarding your advisory account(s) will be made in an investment adviser capacity. Certain recommendations made by D.A. Davidson and your D.A. Davidson financial professional regarding any of your brokerage account(s) or advisory account(s) that are retirement and other qualified accounts, including employer-sponsored plans ("plans"), individual retirement accounts ("IRAs"), SEP IRAs, SIMPLE IRAs, Keogh plans, Coverdell educational savings accounts, and other similar accounts (collectively, "retirement accounts") are also made in accordance with the Department of Labor's PTE 2020-02[2]. The primary differences are summarized below.

If you have a brokerage account and an advisory account with D.A. Davidson, and your financial professional makes investment recommendations to you with respect to both accounts, they will explain to you verbally whether a particular recommendation is for

[1] The Securities and Exchange Commission (the "SEC") uses the term "retail customers" to define the types of investors to which its Regulation Best Interest applies. As used in this Reg BI Disclosure, "retail client" means the same thing as the SEC's term "retail customer." The types of investment recommendations that are subject to Regulation Best Interest are limited to those involving securities transactions and investment strategies involving securities (including account recommendations).

[2] The U.S. Department of Labor's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") is a special rule that permits us to receive compensation in connection with certain recommendations we make with respect to retirement accounts.

your brokerage account, your advisory account, or both (unless it is clear under the circumstances to which account the recommendation applies). Your financial professional will explain this at the time the recommendation is made. The fact that you have an advisory account does not mean that D.A. Davidson has fiduciary obligations to you when providing brokerage services, recommendations or handling your brokerage accounts.

Also, while most of our financial professionals are licensed to provide recommendations and services both in a brokerage capacity and an investment advisory capacity, some of our financial professionals offer only brokerage accounts and services. If this applies to your D.A. Davidson financial professional, they will not be able to offer investment advisory accounts or services. If your financial professional is limited to offering brokerage accounts and services only, they will disclose this limitation by providing you with a supplemental disclosure at the outset of your relationship with us, and before making any initial recommendation(s) to you.

Brokerage Accounts
In our capacity as a broker-dealer, we can make recommendations to you to open a brokerage account and about buying, selling, and holding securities, and effect purchases and sales of securities on your behalf (for your brokerage account). We can also provide you with research and information about investments, financial education, and custody of assets, along with certain other supporting services. When we act in our capacity as a broker-dealer, we are paid for our services through commissions and other transaction-based charges.

We offer several different options and account types for your brokerage account(s), including brokerage accounts held with D.A. Davidson as the custodian and accounts held directly with the issuer of the securities purchased, such as a fund company (sometimes referred to as “directly-held” accounts).

We do not have any minimum account or investment requirements for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements. More information about these minimum investment requirements is available in the investment’s offering document or prospectus.

Within brokerage accounts, our Firm and financial professionals do not make investment decisions for you or manage your investments on a “discretionary” basis. This means that we cannot buy or sell investments in your brokerage account without first obtaining your consent. Generally, you will need to consent separately to each trade, unless you have set up a systematic purchase/ redemption program (for example, to invest in certain mutual funds), in which case you do not have to consent separately to each contribution or redemption payment – they will occur automatically according to your instructions. Another example is a dividend reinvestment program, where you elect ahead of time to apply all dividends to purchasing new shares.

A recommendation to open or move to a brokerage account would be made under Regulation Best Interest (and for employer sponsored Plans and IRAs under PTE 2020-02) based on your investment objectives, risk level, investment time horizon, financial information and other circumstances (collectively, your “investment profile”). Brokerage account services and features include one or more of the following: no account minimums, fees paid on a transactional basis, the ability to maintain concentrated and illiquid positions or certain investments and strategies, the ability to direct your own transactions; and the transaction based costs associated with a D.A. Davidson brokerage account are justified by these services and features. Our financial professionals may recommend a brokerage account and investments to you, but you are solely responsible for making the ultimate decision whether to open the account and purchase or sell (or hold) investments. We will only purchase or sell investments when specifically directed by you.

Our Firm and financial professionals also do not monitor your brokerage account or the performance of any investment after an investment is purchased, including those investments we recommend for you. Periodically, we may voluntarily review those investments to determine whether to provide additional information and/or recommendations. But in all cases, you are responsible for deciding whether to continue holding investments in your account.

When we act in our capacity as a broker-dealer, we are subject to the Securities Act of 1933, the Securities Exchange Act of 1934, as amended, the rules of self-regulatory organizations and rulemaking bodies such as the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Municipal Securities Rulemaking Board (“MSRB”) (with respect to municipal bonds, as well as 529 plans (education savings plans), which are considered municipal fund securities), as well as applicable state laws. And, under Regulation Best Interest, our Firm and financial professionals are obligated to act in your best interest and not put our interests ahead of yours when we recommend securities transactions, or investment strategies involving securities (including account type recommendations), to you.

Investment Advisory Accounts
As an investment adviser, we can recommend that you open an advisory account and provide investment advice to you for an advisory fee (rather than commissions and other transaction-based charges). Our Firm’s advisory fees are usually based on a percentage of your advisory assets with us and are typically paid quarterly. Our primary investment advisory services include discretionary and non-discretionary “wrap fee” programs (where we or another firm within our programs acts as your investment adviser/asset manager, and we also provide brokerage services such as trade execution and custody, for a single “wrap” fee); financial planning services; and advice to plan sponsors about employer-sponsored retirement plans (such as 401(k)) called “retirement plan services”. Where we provide investment advice, we may also place trade orders for you with our Firm as a broker-dealer.

When we act in our capacity as an investment adviser, we will do so pursuant to a written agreement with you that sets forth the investment advisory relationship and our obligations to you. When we act as an investment adviser to you, we are considered to have a fiduciary relationship with you under the Investment Advisers Act of 1940, which includes both a duty of care and a duty of loyalty.

A recommendation to open or move to an advisory account would be made under the Advisors Act Fiduciary Duty (and for employer sponsored Plans and IRAs under PTE 2020-02) based on your investment profile. Advisory account services and features include one or more of the following: investment management, ongoing account monitoring and rebalancing, financial planning (including estate, wealth or retirement planning), access to affiliated/third party managers; and the asset-based costs associated with D.A. Davidson's advisory program(s) are justified by these services and features. Our financial professionals may recommend the account type, advisory program, portfolio and investment manager to you, but you are solely responsible for making the ultimate decision whether to open the account and engage in/with the program, portfolio, and investment manager.

At the outset of our investment advisory relationship with you, you will also receive a disclosure document that describes our investment advisory services and includes important information about, among other things, our fees, personnel, other business activities, and conflicts between our interests and your interests. This disclosure document, our Form ADV, Part 2A brochure, is available at dadavidson.com/Disclosures.

Individual Financial Professional Designations

In some cases, your D.A. Davidson financial professional may hold one or more professional designations, which are often denoted by letters following their last name in written materials, or otherwise. For example, in written or oral communications your financial professional might have indicated to you that they are a "CWS®" (Certified Wealth Strategist®) or a "CFA®" (Chartered Financial Analyst®) or holds some other similar designation**. These designations are issued by private organizations having no affiliation whatsoever with our Firm or any securities regulator. It is important for you to understand that they are different from the legal capacities (broker-dealer vs. investment adviser) described above, and your financial professional's securities licensing (for example, Series 7, Series 65, etc.).**

As a Firm, D.A. Davidson does not generally prohibit our financial professionals from holding such designations or communicating them to clients, if we believe the designation imposes bona fide education requirements. To that end, we maintain a list of Firm approved designations that may be used by financial professionals. However, it is important for you to understand that these designations apply solely to those individuals who hold them, and not to our Firm or our other financial professionals (even if they are in the same office or on the same team). D.A. Davidson's obligations to you are set forth solely by our agreements with you, applicable laws, and the rules established by such regulatory bodies as the SEC and FINRA. **D.A. Davidson expressly disclaims any responsibility or intent to follow any and all rules or standards imposed (or claimed to be imposed) by private, unaffiliated organizations on the individuals who hold their professional designations.**

Special Rules for Retirement Accounts

When D.A. Davidson or your D.A. Davidson financial professional provide "investment advice" to you (within the meaning of the Employee Retirement Income Security Act or the Internal Revenue Code (the "retirement laws")) regarding your retirement plan account or individual retirement account, we are fiduciaries under the retirement laws with respect to such investment advice. The way we make money creates some conflicts with your interests, so we operate under special rules that require us to act in your best interest and not put our interest ahead of your interests when providing such investment advice. Under these rules, the Firm and our financial professionals must also:

- Meet a professional standard of care (give prudent advice);
- Not put our financial interests ahead of yours (give loyal advice);
- Avoid misleading statements about our conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we and our financial professionals give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

This fiduciary acknowledgment does not create an ongoing duty to monitor your accounts or create or modify a contractual obligation, or fiduciary status or obligations under state law. This fiduciary acknowledgement does not apply to retirement plans or other accounts that are not subject to ERISA or Section 4975 of the Internal Revenue Code, including federal, state, local, and non-US workplace employee benefit plans. Not all services or activities that we provide to your retirement accounts constitute fiduciary investment advice subject to the provisions above. As examples, we are not fiduciaries under the retirement laws when we provide:

- General information and education about the financial markets, asset allocations, financial planning illustrations and the advantages and risks of particular investments;
- General information and education about issues and options that should be considered when deciding whether to rollover or transfer retirement account assets to us;
- Recommendations about investments held in accounts that are not retirement accounts (i.e., taxable accounts) or held in accounts at financial institutions other than D.A. Davidson and for which we do not act as broker of record;
- Recommendations that you execute at another financial institution;
- Transactions or trades you execute without a recommendation from us (e.g., unsolicited trades), or that are contrary to, or inconsistent with, our recommendation; and
- Recommendations that do not meet the definition of fiduciary "investment advice" in Department of Labor regulation section 2510.3-21. For your information, fiduciary investment advice means investment advice for a fee or other compensation rendered on a regular basis pursuant to a mutual understanding that such advice will serve as a primary basis for your investment decision, and that is individualized to the particular needs of your IRA or plan account.

Rollovers from an Employer-Sponsored Plan

D.A. Davidson or one of its representatives may provide (1) general information and education to you about the factors to consider when deciding whether to move retirement assets to D.A. Davidson, or (2) a recommendation that you move your retirement assets to D.A. Davidson. A recommendation to roll assets out of an employer-sponsored plan to D.A. Davidson will be valid only if made in writing, and after an extensive review of detailed information that you provide about your plan, including its investment options, services, features, and fees and expenses, and your financial circumstances and preferences. You understand and agree that our analysis of the costs and services of your retirement plan, as compared to the costs and services D.A. Davidson provides, depends on the information you provide to us (or in certain circumstances, information we obtain from third parties about the plan (or similar types of plans). You are responsible for updating us if your investment objectives, risk tolerance and financial circumstances change.

Transferring IRA assets from another financial institution
If you decide to move assets from an IRA at another financial institution to D.A. Davidson, it is based on your determination that:

- Greater services and/or other benefits (including asset consolidation and holistic advice and planning) can be achieved with the D.A. Davidson IRA; and
- The costs associated with D.A. Davidson IRA are justified by these services and benefits.

You understand and agree that with respect to any assets you decide to transfer/roll over from an IRA at another financial institution, now or in the future, you must: (1) evaluate the investment and non-investment considerations important to you in making the decision; (2) review and understand the fees and costs associated with a D.A. Davidson IRA; (3) recognize that higher net fees (if applicable) will substantially reduce your investment returns and ultimate retirement assets; and (4) understand the conflicts of interest raised by the financial benefits to D.A. Davidson and its employees resulting from your decision to roll or transfer assets to a D.A. Davidson IRA.

Best Interest Standard and Reasonable Compensation
The best interest standard under both Regulation Best Interest and PTE 2020-02 does not require that we guarantee the performance of any investment or that your investment objectives will be achieved. In addition, we and our financial professionals may provide recommendations and take actions in connection with the accounts of other clients that may differ from the recommendations and services provided to you. There may be times when we are legally prohibited from making a recommendation that may be otherwise considered to be in your best interest, such as due to insider trading. You understand that any recommendations we and our financial professionals make will reflect the information you provide to us about your investment objectives, risk tolerance, financial circumstances, and investment needs, and we will not be responsible for any information you omit or fail to provide, including changes thereto. We and our financial professional's recommendations and advice will also reflect any limitations you impose, including through applicable investment restrictions and guidelines. You are responsible for notifying us and your financial professional if your investment objectives, risk tolerance or financial circumstances change. We and our financial professionals will not be responsible for your decision to invest or transfer your retirement account assets in a manner that is different from, or inconsistent with, our recommendations or other advice and guidance, and you assume the risk of such decision, nor will we or our financial professionals be responsible for your delay in implementing a recommendation.

Reasonable compensation under the retirement laws has generally been determined based on the compensation paid or received in an arm's-length transaction considering the nature and extent of all services (including products, features, and benefits) provided. This standard does not require us to offer our services at the lowest cost, or for the least compensation, in the marketplace, or that we offer our services to you at the same or lower cost or compensation levels than we offer them to other clients, including similarly situated clients. Certain clients may have negotiated lower fees and compensation for their accounts than those that apply to your account. By entering into an agreement with us, you agree that you believe that the fees and other compensation payable for our services are reasonable considering the totality of the services provided. If you decide not to use all or some of the services that are made available to you, you agree that we have no obligation or responsibility to reduce or lower our fees and compensation during the period those services are available to you. If you want to change the services we make available to you or have any concerns regarding the level of fees your retirement account pays or our compensation, please contact your financial professional immediately.

2.2. Type and Scope of Services

Brokerage Services
Your financial professional can make recommendations to you about buying, selling, and holding securities (including investment funds and products), and we effect purchases and sales of securities on your behalf (for your brokerage account). They can also make recommendations of investment strategies involving securities, which includes recommendations of account types. D.A. Davidson can also provide research and information about investments, financial education, and custody of assets, along with certain other supporting services.

Cash Management Program. We offer an account feature to have uninvested cash in your brokerage account "swept" automatically into accounts with various third-party banks that are insured by the Federal Deposit Insurance Corporation ("FDIC"). This feature is referred to as a "cash management program." Please note that, if you participate in our cash management program, this does not mean that you will have bank accounts in your name from which you can access the funds (other than through D.A. Davidson). Our cash management program is described in more detail in our *Cash Management Program Disclosure Statement*, which is available at dadavidson.com/Disclosures.

Margin. An additional supporting service that we make available is margin lending. If you use this service, this means we will lend money to you to buy investments. Our margin lending service is described in more detail in our *Margin Disclosure Statement*, which is available at dadavidson.com/Disclosures.

Davidson Lending Program (Securities-Based Lending). Another supporting service that we make available is to refer qualifying clients to borrow money from a third-party lender (the "Lender") under the Davidson Lending Program (the "Loan"). The Loan can be used for any personal or business purpose other than to purchase, carry, or trade securities. The Loan is secured by the assets in a client's non-qualified brokerage and/or advisory account(s).

Any referral by D.A. Davidson and its financial professionals made to a Lender or for a Loan is an ancillary service. The financial professional can educate clients about the Loan, act as an intermediary between the client and the Lender, but does not recommend the Loan, a draw down on the Loan, or otherwise provide a best interest recommendation with regard to the Loan. The financial professional also will not provide advice or oversee any such lending arrangement.

Clients considering a loan should refer to the disclosure titled Important Considerations for Liquidity Needs available at dadavidson.com/Disclosures for more educational information about liquidity options, including considerations for taking the Loan, compensation received by D.A. Davidson and its financial professionals for making the referral, and associated conflicts of interest.

Account Types and Services
In order to use any of our brokerage services described above, you must first open an account with us. Our Wealth Management platform offers a number of account types with different features and benefits that are intended to address different needs and objectives of our retail clients. When opening an account with us, you may choose between several different options or account types for your brokerage account, including standard brokerage accounts held with D.A. Davidson as the custodian; accounts held directly with the issuer of the securities purchased; education accounts (for example, education savings plans), which are typically "directly-held" accounts; and retirement accounts (for example, IRAs).

Before deciding whether to open an account with us, you will want to discuss our account options with your financial professional to determine which option(s) best fit(s) your financial circumstances and needs.

Our Investment Philosophy
With respect to our Firm's retail clients, we believe that there are different ways to achieve success as to important financial goals such as saving and investing for retirement, education, and other needs. We believe that investing is, and should be, individualized, and so retail clients should be provided with meaningful choices about various products, services, and approaches. Accordingly, on our Wealth Management platform, we recommend and provide services with respect to a broad range of securities and other investments. It is our view that both individual securities such as stocks and bonds, and investment funds and other "packaged" products, can play important roles in building appropriate client portfolios.

It is not our philosophy or business model to limit the investments we make available to retail clients to a narrow menu of products or types, or only to proprietary products.

While we do not subscribe to any specific "play book" or prescriptive investment process across our retail client relationships, it is our Firm's belief that there are certain fundamental principles that should be consistently observed. At the time our financial professional provides recommendations to a retail client, the financial professional must have a reasonable basis to believe that the recommendations are in the retail client's best interest and must not place the financial professional's interests (or our Firm's interests) ahead of the retail client's interests.

In forming this reasonable belief, our financial professionals must take into account the potential risks, rewards, and costs associated with the recommendations they are making. This means that the retail client's profile must be considered which includes such information as age, financial circumstances and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other information that the retail client discloses to their financial professional or our Firm in connection with a recommendation.

Finally, while we believe in the merits of offering a broad menu of investment choices, we likewise believe it is appropriate to limit our product and service offerings in some respects. For example, while certain "alternative" investment products can provide opportunities for enhanced returns, additional diversification and risk hedging in appropriate cases, they may likewise present additional risks, costs, and complexities. Similarly, certain types of option trading, investing on margin and other activities can increase a client's risk profile. In the interest of advancing the best interests of our retail client base generally, our Firm limits our offerings of "alternative" and more complex products. We also place limitations on specific types of options trading, investing using margin, and certain other activities that can lead to risk levels we believe are inappropriate for most retail clients.

In each case, the recommendations our financial professionals provide to their retail clients will reflect the Firm's fundamental principles listed above. The specific investments that our financial professionals will recommend to a retail client will reflect both the client's financial circumstances and needs, as well as the financial professional's personal experience and familiarity with different securities and other products. If your financial professional recommends that you invest in one or more of the products described in Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments) they will discuss the investment with you, as well as the goals and primary risks of the recommended investment.

2.2.1. Material Limitations

Our Firm and financial professionals provide a wide range of brokerage services. For example, while the range of products we offer in some categories is somewhat restricted, we do not limit our overall investment offerings to a narrow menu of products, strategies, asset classes or types. Likewise, we do not limit our investment offerings to proprietary products, or generally to securities from a select group of issuers. Finally, we do not generally impose minimum account or investment requirements in brokerage accounts, although some of the investments you can purchase through us have minimum investment requirements.

Notwithstanding the range of our brokerage services, the following describes the material limitations on our services and the services of our financial professionals.

No Account Monitoring. As noted previously, our Firm and financial professionals do not monitor your account after effecting a securities transaction for you, including those investments our financial professionals recommend. Periodically, we may voluntarily review those investments to determine whether to provide additional recommendations. While our financial professionals remain available to assist you, they do not monitor your account or your investment performance after effecting a securities transaction for you, or otherwise at any time. In all cases you are responsible for deciding whether to continue holding investments in your account.

No Discretionary Investment Authority. Our financial professionals do not make investment decisions for you or manage your brokerage account on a discretionary basis. This means that we cannot buy or sell investments in your account without first obtaining your consent (in each case). Our financial professionals may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments, and we will only do so when specifically directed by you.

Investment Limitations. While we generally offer a wide range of investments, including investment funds and products, there are certain investments we do not offer. For instance, we do not offer every type of investment fund, insurance product or education savings plan. We also do not offer funds, insurance products and other products from every fund company or other issuer. This means that our financial professionals are limited to recommending only those investments that we are authorized to offer.

Financial Professional Limitations. Not all of our financial professionals can offer the full range of investments and services we offer. As noted previously, while most of our financial professionals are licensed to offer both brokerage and investment advisory services, some of our financial professionals are licensed to offer brokerage accounts and services only. If this limitation applies to your financial professional, we will disclose this to you in writing. In addition, some of our financial professionals are not licensed to recommend and sell certain products, such as insurance products. This is a material limitation on the securities or investment strategies that your financial professional may recommend to you, and you should discuss any such limitations with your financial professional. In addition, you may research your financial professional's experience and licenses at Investor.gov/CRS or on FINRA's BrokerCheck website at brokercheck.finra.org.

Certain Regulatory Restrictions. Most of the investments we offer on our Wealth Management platform are available to all of our retail clients, but there are some exceptions. For example, before purchasing interests in most "alternative investment funds" such as hedge funds and private equity funds (which are "private placements") you may have to meet certain financial or other thresholds in order to qualify as an "accredited investor," a "qualified purchaser" and/or a "qualified client," depending on the specific fund and its requirements. Likewise, under FINRA rules, if you have certain associations within the financial services industry, you may be considered a "restricted person" who is prohibited from purchasing "new issue" securities through initial public offerings (IPOs), etc. We will inform you if any of these restrictions apply to you.

No Proxy Voting. D.A. Davidson and our financial professionals do not vote proxies on any investments held in clients' brokerage accounts.

2.3. Fees and Costs, Generally

This section provides certain information about the material fees and costs associated with your account, transactions, and holdings. Because fees and costs vary depending on the specific transaction or service provided, Section 2.3.1 (Fees and Service Charges Associated with Your Account) immediately below first describes the fees and service charges associated with your account, as reflected in our Fees and Service Charges schedule. Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings) then provides a summary of the primary types of commissions and similar charges that are paid directly to us from your brokerage account when you buy and sell certain investments. Finally, Section 2.3.3 (Summary of Other Revenues Paid to Our Firm as a Result of Your Transactions and Holdings) provides a summary of the primary types of sales commissions and other payments that we receive from certain investment and insurance products that you may buy within your brokerage account.

For more detail on the fees and costs associated with specific types of investments that our financial professionals may recommend (including both fees and costs that are paid to our Firm, and others that are not), please review the investment-specific discussions in Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments) carefully.

2.3.1. Fees and Service Charges Associated with Your Account

Depending on the type of account(s) you open, and the services and investment types you choose, you will pay certain fees and service charges associated with your account(s) and holdings. Described below are the material fees and service charges associated with your account(s), including why they are charged and the frequency with which they are charged. The specific fee rates and amounts listed below are current as of the effective date of this Reg BI Disclosure and may change from time-to-time. Our financial professionals do not receive any compensation related to the fees and service charges described in this Section. 2.3.1 (Fees and Service Charges Associated with Your Account). The fees and service charges described in this Section 2.3.1 (Fees and Service Charges Associated with Your Account) are in addition to the payments described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), in Section 2.3.3 (Summary of Other Revenues Paid to Our Firm as a Result of Your Transactions and Holdings), and in Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments). We encourage you to discuss any questions you have about fees and service charges with your financial professional.

IRA Maintenance Fee. If you have an IRA account, we will typically charge you an annual "IRA maintenance fee" for maintaining your IRA with us after the first year. This IRA maintenance fee compensates us for certain maintenance services that we provide to your brokerage account and reimburses us for certain operational expenses that we incur**. This fee is typically $60 per individual (based on their Social Security Number) for all IRAs you maintain with us and is paid annually.** This fee does not apply during the first year the account is opened. Certain accounts or households that qualify for the Firm's Prestige Program (which is generally limited to investors that meet certain asset thresholds with our Firm) may be eligible to have the annual IRA Maintenance fee waived.

Trade Processing (Handling) Fees. Where we buy and sell certain products on the secondary market on your behalf, your trade confirmation will reflect a Trade Processing [Handling] Fee, in addition to the mark up or mark down or commission. This charge is collected by the Firm for operational expenses. **Currently, the fee is $6.85**. Additionally, all sell transactions of exchange traded securities otherwise not defined as "bonds, debentures, other evidences of indebtedness, security futures products, and options on securities indexes excluding a narrow based security index transacted on such national securities exchange" will reflect an Exchange Fee of nominal value based on the size of the sale, which is charged to D.A. Davidson by utilized exchanges and passed on to the retail client.

Margin Fees. When you purchase investments, you may pay for them in full, or you may borrow part of the purchase price from

D.A. Davidson. If you choose to borrow funds in this manner, we will administer and facilitate the margin loan(s) according to the terms set forth in our margin loan agreement with you. We will charge you for our margin services. Margin fees, which are the interest associated with the margin loan(s), compensate us for the cost and risk of lending money to you, and our administrative services. Certain accounts or households that qualify for the Firm's Prestige Program (which is generally limited to investors that meet certain asset thresholds with our Firm) may be eligible for a preferential and negotiated margin rate. Current margin rates are posted on our Firm's website at dadavidson.com.

Wire Transfer Fees. We will charge you a "wire transfer fee" each time you direct us to wire cash from your account to another account held outside our Firm. **The wire transfer fee is typically $25 for each domestic wire transfer and $75 for each international wire transfer.**

Returned Check/Returned ACH Fees. Absent unusual circumstances, we will typically charge a fee for any returned checks and automated clearing house (ACH) transfers, as well as to stop payment and re-issue a check. **The fee in each case is $25 and is charged once for each returned check/ACH transfer, and each check stop payment/re-issue.**

Account Transfer Fees. We will charge you a one-time, per account, "account transfer fee" to reimburse us for the costs associated with transferring your account to another financial institution. The account transfer fee includes fees associated with the Automated Client Account Transfer System, commonly referred to as the ACAT fee. **This fee is typically $100 and is paid when you initiate the transfer of your account to another broker-dealer. In addition, typically a $50 fee applies for each transfer of estate assets held in a client's name and may be higher based on transfer agent or custodian fees.**

More Information
More information about the fees associated with your account(s) is available in the schedule of *Fees and Service Charges*, which is provided upon opening an account, and is also available on our website at dadavidson.com/Disclosures.

2.3.2. Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings

Depending on the specific investments you choose and how they are transacted, you will pay D.A. Davidson and our financial professionals directly through commissions and commission-equivalents charged directly to your brokerage account, or indirectly through payments from the investments you buy.

The Firm can offer you securities in both types of markets, primary and secondary. A primary market transaction is where D.A. Davidson underwrites and distributes (or sells) newly issued securities through an Initial Public Offering ("IPO") or similar process. A secondary market transaction is where you are buying or selling previously issued securities on the trading markets as opposed to newly issued securities. This could involve the Firm purchasing/selling the securities either from the market on your behalf (defined as "agency trading") or purchasing/selling the securities from its own inventory through principal trading.

***Brokerage Commissions for Secondary Market Transactions*.** For certain types of securities we offer on the secondary market in your brokerage account (such as equities (stocks), exchange-traded funds (ETFs), exchange-traded notes (ETNs), closed-end funds, Real Estate Investment Trusts (REITs) and options) we will charge you a brokerage commission each time you buy or sell the investment. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid.

***Mark-Ups and Mark-Downs for Secondary Market Transactions and Principal Transactions*.** For certain types of securities we offer on the secondary market in your brokerage account (such as CDs, bonds, and structured products) and when we engage in principal trading, we will charge you a mark-up when investments are purchased, and mark-down when investments are sold. Mark-ups and mark-downs have the same effect as brokerage commissions, meaning they are added to or subtracted from the value of your transaction proceeds, and can be higher or lower than the brokerage commission rates described in Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments). A percentage of those mark-ups and mark-downs are paid by D.A. Davidson to your financial professional, according to their production and our commission grid.

Sales Charges. For certain types of securities we offer in your brokerage account (such as equities, bonds, CDs, closed-end funds, Unit Investment Trusts (UITs), REITs, alternative investment funds and structured products), instead of charging you a brokerage commission we receive sales charges and similar fees from the funds or their sponsors. We can receive these fees both up-front and in the form of an ongoing compensation for as long as you hold the security. A percentage of those sales charges and ongoing fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid.

***Sales Commissions/Concessions for Newly Issued Securities*.** Where we distribute (sell newly-issued shares of) certain types of securities in the primary market in your brokerage account (such as equities, bonds, CDs, closed-end funds, UITs, REITs, alternative investment funds, and structured products), we receive underwriting fees, syndicate fees, sales commissions and/or sales concessions or similar fees (referred to as "sales commissions/concessions") from the issuer. A percentage of those sales commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid.

See Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments) for sales commissions specific to each type of applicable security.

2.3.3. Summary of Other Revenues Paid to Our Firm as a Result of Your Transactions and Holdings

Depending on the specific investments you choose and your account holdings at D.A. Davidson, you may pay us indirectly through compensation we receive from third parties. Specifically, these payments include:

***Recordkeeping/Shareholder Servicing/Distribution Fees*.** Investment funds, such as mutual funds and closed-end funds, charge ongoing fees that are embedded into their costs. Some of these fees are shared with D.A. Davidson, in exchange for sub-accounting, distribution and other services we provide, but these fees are not paid to our financial professionals directly.

***Education and Marketing Support*.** Some investment product sponsors contribute to or reimburse our Firm for the cost of educational and marketing events for our clients and financial professionals. Subject to approval by our Firm, product sponsors may also pay for travel, meals, entertainment and attendance at conferences, training events and due diligence trips for our financial professionals, but these payments are not made to our financial professionals directly.

***Revenue Sharing*.** Some issuers and sponsors of investments we recommend share a portion of their revenues with D.A. Davidson based on the total amount of sales we make of their investments, or the total amount of client assets invested with them. We do not share these payments with our financial professionals.

Most of these fees are higher the larger the dollar amount of the trade or investment (or our overall volume of business with the provider) is. These payments create financial incentives for us to recommend that you trade investments often, make large trades, and buy investment products that pay us higher commissions and other payments over those that pay us lower commissions and other payments.

Please note that the discussions in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings) and Section 2.3.3 (Summary of Other Revenues Paid to Our Firm as a Result of Your Transactions and Holdings) are not comprehensive. They are intended only for general reference purposes, and to help you better understand the discussion of conflicts of interest in Section 3 (Material Conflicts of Interest). We recommend that, in connection with any investment or insurance product you are considering, you carefully review the investment-specific discussion in Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments) of this Reg BI Disclosure, and the other sources of information described, such as the prospectus or offering document for the investment (where applicable), or other additional resources.

2.3.4. Summary of Expenses you Pay for Certain Transactions and Holdings

Certain types of securities we offer in your brokerage account (such as mutual funds, closed-end funds, ETFs, ETNs, Unit Investment Trusts (UITs), alternative investment funds, and REITs) and annuities and life insurance products, described in detail under Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments), have direct costs associated with them that you pay indirectly as an investor to the product sponsor. These fees and expenses (often described as the “expense ratio”) will impact investment returns and are fully described in specific investment disclosures provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses. As noted above, the ongoing fees and expenses can also include fees commonly referred to as recordkeeping, shareholder servicing or distribution fees (such as 12b-1 fees), which can be received by D.A. Davidson on an ongoing basis. A percentage of these fees received by D.A. Davidson are paid to your financial professional, according to their production andour commission grid.

3. Material Conflicts of Interest

Like any financial services firm, D.A. Davidson has certain conflicts of interest (conflicts) that relate to the recommendations our Firm and our financial professionals make. For purposes of this Reg BI Disclosure, a conflict of interest essentially means an economic interest that might provide an incentive for a broker-dealer firm or its financial professionals to make recommendations that are not in the best interest of their retail clients.

Some of these conflicts exist between the interests of retail clients and our Firm and financial professionals alike. Others exist between the interests of retail clients and our Firm alone, or between the interests of retail clients and financial professionals alone. The section below discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation we provide to you. Certain products may have unique conflicts of interest. Where applicable, product specific conflicts are discussed within the relevant product under Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments).

3.1. Conflicts for Both Our Firm and Financial Professionals

Conflicts between the interests of retail clients and both our Firm and financial professionals can be caused by a variety of factors. They include the role we play in a transaction, the type of product purchased or sold, compensation arrangements, and trading arrangements. The material facts relating to these conflicts, including certain ways our Firm addresses and manages them, are described below:

Brokerage vs. Advisory Accounts. Both our Firm and our financial professionals typically make more money when you select our investment advisory services over our brokerage services. This creates an incentive for us and your financial professional to recommend advisory services over brokerage services. Our Firm requires our financial professionals to consider a number of factors, such as the type and level of services required and the expected trading frequency, before recommending an account type to a retail client. This is intended to help ensure that our account type recommendations to you are reasonably expected to be cost-effective choices in light of your investment services and needs. Additionally, our Firm does not impose requirements on how many accounts a financial professional must have that are brokerage accounts or advisory accounts, nor incentivize the decision through a different compensation grid. The conflicts described in this section and throughout this document apply specifically to transactions within brokerage accounts.

Volume and Size of Trades. Both our Firm and our financial professionals make more money when you buy and sell securities frequently, buy and sell larger amounts of securities, and make new investments in funds and other products. In all of those cases, our Firm receives either brokerage commissions, mark-ups or mark-downs, sales charges, or similar payments. We receive these payments each time you trade or buy a new investment. Likewise, the amount of the commission or other payment we will receive for a particular purchase or sale will increase the larger the trade is. This means that we have a financial incentive to recommend larger trades over smaller trades. It should be noted, however, that while our total commission amount increases with the size of each trade, the incremental commission rate decreases. This creates a financial incentive to recommend higher numbers of smaller trades over fewer numbers of larger trades.

These transaction-based payments provide incentives for us and your financial professional to encourage you to trade more often, make larger trades (or more frequent smaller trades), and purchase additional investment products that result in additional revenue for our Firm and your financial professional.

Conversely, if you place certain small trades (for example, less than a $75 commission for a trade of equities (or most mutual funds), or less than a $50 commission for a fixed-income trade), your financial professional will receive a reduced percentage share of their production (i.e., the commission charged), or no share at all. Since your financial professional will be paid less even on a pro rata basis for certain small trades, this gives them a financial incentive not to recommend small transactions even if they would be in your best interest.

To help manage the conflicts related to volume and size of stock trades, D.A. Davidson has policies and procedures in place that monitor volume of trading (as to frequency, amount, or both), as well as systems to help identify situations where this could be occurring. Recommending excessive trading volume in order to increase brokerage commissions is an abusive practice that D.A. Davidson reviews on a regular basis.

Differential Compensation Across Product/Investment Types and Within Product/Investment Types. The compensation we receive for buying and selling investments varies depending on the investment. This creates an incentive for us to recommend investments that pay us more compensation over those that pay us less compensation, or no compensation. Both our Firm and our financial professionals make more money when you buy investment products that pay us higher sales charges and similar fees than others. In addition to these transaction-based charges, we typically receive additional payments when you invest in mutual funds, UITs, closed-end funds, ETFs, education savings plans, and annuities and life insurance products. For example, certain investments make ongoing trailing payments to us based on invested assets (and not just new investments) such as 12b-1 fees from mutual funds or trail compensation for annuities and insurance products (“third-party payments”). These third-party payments are described in detail in the prospectus or offering materials for the investment, which will be provided to you in connection with any purchase. Compensation can also differ within a particular product/investment type. We pay each of our financial professionals a portion of the payments that we receive in connection with the financial professional’s client transactions and holdings.

To help manage the conflicts related to recommending certain products over others, our Wealth Management product platform, along with our pricing policies, are designed to help manage the size of compensation differentials within each product. For example, to help manage conflicts relating to equity transactions, over certain other investments that trade in the same manner we charge the same commission rates for purchases and sales of stocks as for other investments that trade on the secondary market, including ETFs, ETNs, traded REITs and closed-end funds. Likewise, D.A. Davidson generally charges the same commission rates for all stocks that are available on our trading platform. We also provide resources and training to encourage our financial professionals to consider comparable products available on our platform and the appropriateness of each product based on the client’s investment profile. Also, to help manage conflicts related to mutual fund recommendations, we limit the amount of sales charges that are taken into account in determining our financial professionals’ compensation (please see the discussion of “Mutual Funds” under Subsection 4.5 for more detail) and require our financial professionals to evaluate mutual funds using an analytical tool that compares mutual funds based on varying criteria. To help manage the financial incentive that our financial professionals could have to recommend an insurer’s products over others, within our distribution (sales) arrangements, the differences in commission rates (with respect to product types and contract periods) are limited from insurer to insurer.

For variable annuities in particular, to help mitigate any conflict our commission rates are usually 5.25%, and never exceed 5.50% (a difference of 0.25%). We also have a detailed supervisory process for reviewing sales of variable annuities and variable universal life and any additional annuity benefits, or insurance coverage, services and riders recommended to you. The process also requires our financial professionals to evaluate variable annuities and variable universal life using an analytical tool that compares them based on varying criteria.

We also provide resources and training to encourage our financial professionals to consider comparable products available on our platform and the appropriateness of each product based on the client’s investment profile.

Commission Rates. When you trade securities on the secondary market, our Firm and our financial professionals make more money when you buy and sell securities for which the rates of brokerage commissions charged directly to your account (or rates of mark-ups and mark-downs) are higher. To help address this conflict, under our Firm’s pricing policies we charge the same commission rates for secondary market transactions in all equities, REITs, ETFs, ETNs and closed-end funds. We also charge the same mark-up and mark-down rates for all fixed-income transactions – including all types of bonds and CDs alike – which usually trade over-the-counter (rather than on public exchanges). However, as described above, you should understand that both our Firm and our financial professionals receive more compensation for selling certain types of investments and insurance products than others. And, in many cases, we receive more compensation for selling certain specific products within a single category than others.

Primary vs. Secondary Market Compensation. Payments from primary market transactions are generally higher, and can be significantly higher, than payments from secondary market transactions, as such terms are described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings) and create an incentive for us to recommend primary market trades for products that we underwrite over secondary market trades or other investments.

If your financial professional recommends a primary market trade, they will discuss this conflict with you, and will provide or make available to you specific information, including a prospectus, which describes the compensation the Firm will receive. The compensation the Firm and your financial professional receive for these types of trades is not included on your confirmation statement.

To help manage the conflicts related to primary and secondary market compensation, we have a supervisory process for reviewing certain criteria around recommended transactions to ensure they align with a client's investment profile.

Underwriting and Similar Fees. When D.A. Davidson underwrites and distributes newly issued common or preferred stock, a corporate or municipal bond offering, or other "primary market" sale of new issue securities, we receive underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees. The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 1.0% and 7.0%. Approximately 50% of this fee goes to your financial professional and approximately 50% goes to the Firm. Because of the role the Firm plays in underwriting the securities, the compensation D.A. Davidson and its financial professionals receive for primary market transactions is higher than the compensation received for secondary market transactions. As stated above, this amount can be significantly more than the fees paid to the Firm for secondary market transactions. Additionally, when acting as a managing or co-managing underwriter, D.A. Davidson is compensated at a higher rate (within the range stated above) than when the Firm acts as a selling group member. This creates an incentive for our Firm to make available on our platform, and encourage the purchase of, new issue securities for which we act as an underwriter, distributor or in a similar role. For purposes of determining our financial professionals' compensation, a percentage portion (e.g., typically 60% in the case of a stock) of underwriting and similar compensation we receive as a Firm is taken into account when determining your financial professional's compensation. Otherwise, we mitigate this conflict by conducting surveillance over client accounts that invest in these offerings. If your financial professional recommends a primary market trade, they will discuss this with you, and will provide or make available to you specific information, including a prospectus, which describes the compensation the Firm will receive. The compensation the Firm and your financial professional receive for these types of trades is not included on your confirmation statement.

Share Classes. For investment types with multi-share class structures, such as mutual funds, education savings plans, and annuities and life insurance products, over time our Firm and our financial professionals will typically receive higher amounts of compensation if you choose a share class that is more costly to you. Different share classes will pay us higher or lower up-front sales charges, ongoing payments (such as 12b-1 fees), trailing commission, and similar fees. Therefore, some share classes are generally more appropriate (in other words, less expensive) for longer-term investors, and others are generally more appropriate for shorter-term investors. Our Firm has policies and procedures in place that require our financial professionals to consider a client's expected time horizon for an investment before recommending a particular share class. Also, we have a Class C Share Conversion Program to reduce the potential for investors to hold Class C shares beyond the point where the ongoing costs of ownership can exceed Class A shares. Please see Section 4 (Fees and Material Conflicts of Interest Associated with Specific Investments) for each type of security with multi-share class structures for more detail.

Please note, however, that the lowest-cost share classes may not be available to all retail clients in all cases, due to limitations imposed by the product sponsor, such as high minimum investment amounts or account type requirements (e.g., a retirement account or an advisory account). You can find more information about the compensation paid on different share classes in the prospectus for the investment product, or by asking your financial professional.

Rollovers and Transfers. Our Firm and our financial professionals make more money when you increase your assets with us, including assets rolled over from workplace retirement plans or transfers of IRAs at other financial services companies into IRAs with the Firm ("rollovers or transfers"). When you engage in a rollover or transfer to an IRA, we will receive compensation in connection with the investments you buy, sell, and hold in your IRA, and we will pay a portion of that compensation to your financial professional. These payments create an incentive for us and your financial professional to recommend rollovers and transfers. To mitigate this conflict, our financial professionals do not make recommendations for you to rollover or transfer assets to our Firm, but rather provide investors with educational materials to help them determine whether or not to complete an IRA rollover or transfer. Where clients cannot make an independent decision to rollover assets from a workplace retirement plan and meet certain monetary thresholds, we can provide a recommendation through a centralized team whose compensation is not impacted by whether or not the assets are brought to the Firm. The centralized team must first collect certain information about the fees, investments, and services in the retirement plan, and compare the plan and IRA based on a number of factors to determine whether an IRA rollover to the Firm would be in the retail client's best interests.

Davidson Lending Program (Securities Based Lending). Our Firm and our financial professionals both make more money when you select certain additional services, such as the Davidson Lending Program. The Firm receives interest, calculated as a percentage of the client's outstanding loan balance, and will share a percentage of this compensation with its financial professionals. This creates a conflict of interest by providing an incentive for the Firm and your financial professional to recommend the Loan or draws on the loan to you. Additional conflicts of interest, considerations and risks of the Davidson Lending Program are described in detail in Important Considerations for Liquidity Needs at dadavidson.com/Disclosures.

To mitigate this conflict of interest, financial professionals do not provide recommendations to you regarding the Davidson Lending Program. Your financial professional will provide you with general information and education to consider but you must make an independent decision to engage in the Davidson Lending Program without receiving an individualized or personalized suggestion or recommendation from your D.A. Davidson financial professional. The Davidson Lending Program is not available for ERISA or IRA accounts.

Education and Marketing Support. Some investment product sponsors contribute to or reimburse D.A. Davidson for the cost of educational events and marketing events for our retail clients and financial professionals. Others pay for travel, meals, entertainment and attendance at educational conferences, and due diligence trips which provide our financial professionals with additional opportunities to be educated about services and investments that can be offered to clients. Some of these events, which are hosted by D.A. Davidson, are offered in multiple tiers – this means that product sponsors pay different amounts and as a result receive different levels of benefits. For example, these different benefits might include having their speaker at a main session versus a breakout session or a more prominent display in the materials used in connection with the event.

These payments provide an incentive for our Firm and our financial professionals to recommend investment products whose sponsors provide these additional support payments to us, and those who make higher support payments than others. Our Firm imposes an internal review and approval process to ensure that these payments are not unreasonably high (or otherwise inappropriate) under the circumstances. Additionally, we do not permit payments for educational and marketing events to be made directly to our financial professionals. **A list of the investment product sponsors who provide our Firm with payments and reimbursements in support of our education and marketing efforts (current as of the effective date of this Reg BI Disclosure) is furnished in the attached Exhibit.**

Gifts from Sponsors. D.A. Davidson financial professionals and other employees sometimes receive non-cash compensation from investment product sponsors that is not in connection with any particular client. This compensation may include such items as gifts valued at less than $100 annually, an occasional dinner or ticket to a sporting or entertainment event, or reimbursement in connection with client events, or marketing or advertising initiatives, including services for identifying prospective clients. These payments provide an incentive for our financial professionals to recommend investment products whose sponsors provide these forms of compensation. To mitigate these incentives, our Firm imposes an internal review and approval process for gifts made to our financial professionals.

Referrals to Affiliates. Our financial professionals refer clients that request a corporate trustee to D.A. Davidson Trust Company ("DTC") to serve in that capacity and manage the assets. Our financial professionals also refer clients that request specialized bill pay services to DTC to serve in that capacity and manage the assets. For making the referral, a portion of the fees that clients pay to DTC (50%) is considered when determining the financial professionals' compensation. Those funds also generate payment at a 50% rate on their compensation grid, which may be higher than the grid for which they otherwise may have qualified. Our financial professionals refer institutional or high net worth clients to Davidson Investment Advisors, Inc. ("DIA") to manage assets in its capacity as an independent investment adviser. For making this referral, a portion of the fees that clients pay to DIA (typically, 20%-60%, with the average being 43%) is considered when determining the financial professional's compensation. When our financial professionals refer clients to our affiliates, such as DTC or DIA, we receive more compensation (additional fees for the additional services) than if a third-party service provider were selected instead. To help manage this conflict, when a referral takes place, the affiliate will gather information from the client (separate from the financial professional) to ensure that they meet certain criteria and would benefit from the service offered. The affiliate has discretion as to whether to accept the client's account. You as a client do not pay more for our affiliates' services as a result of the referral from your financial professional.

Principal Trades. Generally, we receive more total compensation and other benefits for principal trades of investments than we receive for riskless principal trades. This creates an incentive for us to recommend investments that we hold in our inventory and trade on a principal basis.

To help manage the conflict related to engaging in principal trades of bonds our financial professionals cannot request a specific trade process and are not compensated solely based on whether the trade is entered on a principal or riskless principal basis. In addition, the Firm has policies and procedures to monitor for best execution.

3.2. Conflicts for Our Firm Alone

Conflicts between the interests of retail clients and our Firm (but not our financial professionals) may likewise be caused by a variety of factors. They include the role we play in a transaction, compensation arrangements, trading arrangements, and client-specific arrangements. The material facts relating to these conflicts, including certain ways our Firm addresses and manages them, are described below:

Margin. Our Firm makes more money, in the form of interest payments, when clients utilize additional brokerage services such as margin lending. This creates an incentive for the Firm to encourage the purchase of securities through utilization of margin. We mitigate this conflict by not sharing any margin revenue with our financial professionals on margin balances. See the *Margin Disclosure Statement* at dadavidson.com/Disclosures for more information.

Cash Management Program. Our Firm receives important and significant compensation and benefits from client's use of the cash management program. See the *Cash Management Disclosure Statement* at dadavidson.com/Disclosures for more information.

Revenue Sharing. In addition to sales charges and similar payments, some issuers and sponsors of investments we recommend share with us a portion of their revenue. These payments, sometimes called "revenue sharing" payments, are usually based on the total amount of sales we make of their investments, or the total amount of client assets invested with them. This creates an incentive for our Firm to include on our platform, and encourage the purchase of, investments whose issuers and sponsors share revenue with us, and share more revenue with us than others. We do not share these payments with our financial professionals, to reduce any financial incentive they might have to recommend revenue-sharing investments over others. **A list of the investment product issuers and sponsors who provide our Firm with revenue sharing payments (other than for education and marketing support, as described above), which is current as of the effective date of this Reg BI Disclosure, is furnished in the attached Exhibit.**

Recordkeeping/Shareholder Servicing/Distribution Fees. For some investment products, such as mutual funds, education savings plans and annuities and life insurance products, we receive ongoing fees for recordkeeping, distribution (12b-1 fees) and other shareholder or administrative services. For example, we receive fees in connection with mutual fund investments for sub-accounting and sub-transfer agent services in respect of our clients. We receive these fees for tracking fund ownership among our client accounts, distributing prospectuses and proxy voting information, processing transactions on an omnibus basis and similar services. These fees create an incentive for our Firm to make available on our platform, and encourage the purchase of, investments who pay us for such services, and pay us more than others.

As a percentage of client assets held in investment products for which we receive these types of fees, the total such fees we would receive in most years is approximately 0.05-0.07%. Because we generally provide these types of services on an omnibus (across-the-board) basis, the fee rates we receive typically do not vary materially within categories of products (for example, from one mutual fund to another mutual fund). We do not share these recordkeeping, distribution, or other shareholder service fees with our financial professionals.

Proprietary Products. Our Firm, considered together with our affiliates, receives more compensation and other benefits if you select mutual funds or other investments that are issued, sponsored, or managed by us. This creates an incentive for us to make available on our platform, and encourage the purchase of, proprietary products over others. To help address this conflict, our financial professionals are paid the same amount for selling proprietary products and third-party products, holding all other variables equal. **A list of the proprietary products we offer to retail clients (current as of the effective date of this Reg BI Disclosure) is furnished in the attached Exhibit.**

3.3. Conflicts for Financial Professionals Alone

Conflicts between the interests of retail clients and our financial professionals (but not our Firm) may be caused by a variety of arrangements, including compensation arrangements, retail client-specific arrangements, or outside business activities. The material facts relating to these conflicts, including certain ways our Firm addresses and manages them, are described below:

Production/Compensation Grid. The single most important factor affecting a financial professional's cash compensation is the total amount of revenues they generate for our Firm, which is sometimes referred to as their "production." Specifically, the primary cash compensation we pay to our financial professionals (which is determined and paid on a monthly basis) is a percentage share of their production, which is generally between 25% and 51%. The exact percentage they receive for a given month is determined primarily according to their production over the previous six (6) month period, and tenure with our Firm, as set forth in our compensation grid. Our compensation grid has thresholds that enable the financial professional to increase their compensation through an incremental increase in production.

Sales commissions and most other transaction-based charges for brokerage services, securities-based lending interest, ongoing payments such as trails and 12b-1 fees, as well as investment advisory fees, generally count toward our financial professionals' production. Of course, and as explained previously, the compensation that both our Firm and our financial professionals receive is based on these revenues, so we both have a financial incentive to increase those commissions and other payments. However, your financial professional has an additional incentive to maximize their ongoing production, because the higher it is over the previous six (6) month period, the greater percentage share they will receive for that current month. Stated simply, increasing their production generally entitles the financial professional to receive a larger share of that production. Therefore, the financial professional has a strong financial incentive to recommend frequent and larger trades, investment products and accounts that pay us higher revenues, and additional investments, services and accounts that increase their production-eligible revenues (as described in Section 3.1 (Conflicts for Both Our Firm and Financial Professionals) and throughout this Reg BI Disclosure).

Sections 3.1 (Conflicts for Both Our Firm and Financial Professionals) and 3.2 (Conflicts for Our Firm Alone) summarize several of the ways our Firm attempts to address and manage these conflicts. In addition, under our compensation grid, the percentage of their production that the financial professional will receive as cash compensation is determined on a month-by-month basis over a 6-month lookback period, and the grid includes incremental rate steps. These features are intended to help manage the incremental compensation increases that our financial professionals can achieve for discrete sales, or for sales over a short period.

Also, certain revenues we receive as a Firm do not count toward our financial professionals' production, such as margin interest, interest from the cash management program, and all other fees described in Section 2.3.1 (Fees and Service Charges Associated with Your Account), payments from third-party banks that participate in our cash management program, recordkeeping, sub-accounting and other administrative service fees from mutual funds, and certain revenue sharing payments.

Certain other revenues our Firm receives are credited to our financial professionals' production on a reduced basis, such as equity underwriting compensation (as described under Individual Equities below) and fees for referrals to DTC and DIA (as described under Referrals to Affiliates above).

Other Bonuses and Awards. Our financial professionals are able to earn deferred performance awards of up to 5% of their annual production, which are payable in cash or stock of D.A. Davidson's parent company and are subject to five-year cliff vesting. Financial professionals with over seven (7) years' tenure with the Firm can also earn additional loyalty bonuses of up to 4% of their annual production. These awards and bonuses are based largely on each financial professional's tenure and production with our Firm at the end of a performance measurement period (which is September 30, the end of D.A. Davidson's fiscal year). Typically, each of our financial professionals are eligible to receive bonuses and awards with respect to any single year that total up to 9% of their production.

Upon qualified retirement, financial professionals can receive compensation through the sharing of gross production generated from their transitioned book of business, generally over the course of four (4) years after the end of their employment. In addition, financial professionals can receive an additional gross production premium of 5.0% to 12.5%, depending on Firm tenure, reoccurring revenue mix, and productivity.

Based on their production and other factors, our financial professionals can also earn awards in the form of non-cash compensation (i.e., rewards trips), larger expense allowances (up to 1.5% of production) and additional "concierge" support services.

The conflicts created by these additional incentives are particularly acute toward the end of the applicable performance measurement period, which coincides with our Firm's fiscal year-end on September 30. To mitigate the conflict related to measuring additional incentives at our fiscal year-end, the Firm conducts specific surveillance of financial professional's activity levels during this period. Additionally, in order to earn certain bonuses and awards, a financial professional must be in good standing with the Firm's policies and procedures.

Team Formation. The Firm supports a team formation process with minimum production requirements that permit a financial professional to earn compensation based on both their own production and that of their teammates. This creates the same conflicts of interest identified under Production/Compensation Grids and Other Bonuses and Awards.

New Financial Professional Incentives. We grant some of our financial professionals are who are new to our Firm forgivable loans – in other words, loans that can be repaid through bonus payments that they can earn by remaining employed with our Firm over a period of years (typically nine (9) years). In many cases, for the first year a new financial professional is employed with our Firm, we offer them a fixed compensation grid which may be higher than the grid for which they otherwise may have qualified. We also offer some new financial professionals one of the three following incentives: (i) an increased compensation grid on future advisory fees and commissions if they meet certain production goals; (ii) additional forgivable loans if they reach certain production goals; or (iii) additional forgivable loans if they bring certain amounts of assets to our Firm.

These incentives encourage our financial professionals to recommend that clients move additional assets to our Firm and, for (i) and (ii) above, to recommend higher levels of trading and the purchase of additional and larger investments. These additional forms of compensation are typically earned over the course of a few years where they are tied to performance measures of twelve (12) consecutive month periods, to help reduce the incentive a new financial professional might have to achieve large sales volume over shorter periods. Additionally, clients that have an existing relationship with a financial professional who joins our Firm will be furnished with an educational document prepared by FINRA that discusses conflicts of interest resulting from moving their account to our Firm. Also, while new financial professionals are usually eligible for expense allowances (as described above under “Other Bonuses and Awards”), they typically are not eligible for deferred performance awards while they qualify for a fixed compensation grid and are not eligible for loyalty bonuses because they have not yet earned seven (7) years’ tenure.

Certain Manager Incentives. Our managers, directors and supervisors oversee the sales and marketing activities of our Firm. The compensation of our Branch Office Managers (“BOMs”) is tied in part to the production levels of branches over which they have managerial or supervisory responsibility. The tying of BOMs’ compensation to the production of the branches they supervise incentivizes them to spend more time on increasing production levels than on their supervisory responsibilities. Only BOMs are compensated in this fashion. Our Firm has other management and supervisory personnel who participate in the supervision and oversight of our branches, and Firm generally, and who are not compensated based on production levels. However, BOMs have ultimate supervisory and oversight responsibility over their branches.

Outside Business Activities. Some of our financial professionals have outside business activities that compete for their time. If your financial professional engages in any outside business activities, these activities can create an incentive for your financial professional to spend more time on the outside business activity rather than on their brokerage relationships with you and other retail clients.

You may research any outside business activities your financial professional may have for which they receive compensation at brokercheck.finra.org. All financial professionals are required to obtain approval from their supervisor prior to engaging in such activities to help ensure the activity does not conflict with their financial professional duties with D.A. Davidson.

4. Fees and Material Conflicts of Interest Associated with Specific Investments

This section describes the specific types of investments and insurance products typically offered by the Firm and its financial professionals, their characteristics, brokerage fees and costs, as well as any material conflicts of interest that apply to those investments. This should be read in conjunction with the general Fees and Service Charges described in Section 2 (Scope and Terms of Our Relationship with You) and in Section 3 (Material Conflicts of Interest).

This section describes the compensation that we receive as well as other material fees and costs that you will typically pay in connection with specific investments and insurance products. The fees and costs described below apply in addition to the Fees and Service Charges described in Section 2.3.1 (Fees and Service Charges Associated with Your Account), such as Trade Processing (Handling) Fees, and margin interest.

When you purchase an investment that is subject to price fluctuation its performance cannot be guaranteed and you may lose money. Past performance is not a reliable indicator of future performance but may help you evaluate an investment’s volatility over time. In some cases, we have included hypothetical transactions as examples, and certain estimates relating to fees and costs. **Please note that fees and costs associated with your specific transaction may differ from these hypothetical examples and estimates.**

With some exceptions noted below, our Firm will send you a trade confirmation each time you buy or sell a security. The confirmation will include required information about the commissions and other payments you paid in connection with your purchase or sale. It will also explain whether we acted as agent or as principal with respect to the trade. If you are charged a mark-up or mark-down (including when we are acting in an underwriting capacity as described below), the amount we are paid in connection with your purchase or sale will not be reflected in your trade confirmation unless required by applicable regulation. **You should always carefully review your trade confirmation and contact your financial professional with any questions.**

If your D.A. Davidson financial professional recommends that you invest in one or more of the products described in the subsections below, they will discuss the investment with you. You will be provided with a prospectus, offering document, or other required materials when available in conjunction with your transaction. You should read these documents carefully as they will provide additional information about the product, including its risks, that are not described below.

4.1. General Overview: Risk of Loss

All investments carry certain risks which depend on a number of factors. The below section describes certain risks which apply broadly to a variety of investment products. Because there are differences between investment products, the categories of potential risk are broad. **Therefore, this discussion is not comprehensive, and we encourage you to discuss the risks associated with various investments with your financial professional. Where additional types of risk apply specifically to certain investments, that information will be provided within a prospectus, offering document, or other required materials when available in conjunction with your transaction.**

Business Risk is the risk that investments in a particular company will lose substantial value or default due to the company's insolvency or bankruptcy, or fluctuations in the applicable business sector generally.

Market Risk is the risk that the value of investments may decline, at times sharply and unpredictably, because of economic changes or other events that affect individual companies or large portions of the market.

Sector Risk is the risk that investments in a particular sector or industry will lose substantial value or default due to a downturn in that sector/industry, even if the investments are in established well-managed companies.

Emerging Markets Risk is the risk that markets of emerging market countries are less developed and less liquid, subject to greater price volatility and generally subject to increased economic, political, regulatory, and other uncertainties than more developed markets.

Foreign Investment Risk is the risk that investing in foreign (non-U.S.) securities may cause more rapid and extreme changes in value than investments in securities of U.S. companies, due to less liquid markets, and/or adverse economic, political, diplomatic, financial, and regulatory factors. Foreign governments also may impose limits on investment and repatriation and impose taxes. Any of these events can trigger investment losses.

Geographic Investment Risk is the risk that investments concentrated in a certain country or other geographical region will be adversely affected by events occurring in that region, including natural disasters, adverse governmental action, acts of God, war, insurrection or political upheaval, or instability as to markets or other economic and political structures.

Inflation Risk is the risk of inflation exceeding the return of an investment.

Interest Rate Risk is the risk that the value of investments will decline because of rising interest rates. The magnitude of this decline will often be greater for longer-term securities than shorter-term securities. This risk is typical for fixed-income investments.

Cybersecurity Risk is the risk of cyber incidents resulting from deliberate attacks or unintentional events that include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites.

Liquidity Risk is the risk that certain investments will not be sufficiently marketable to be sold (liquidated) within a short time frame without incurring a loss in value.

Management Risk (or Securities Selection Risk) is the risk that the portfolio manager's investment strategy, approach or specific securities selections may fail to produce the intended result, and the overall investment may under-perform its benchmark or the broader market indices.

Leverage Risk is the risk that using leverage (borrowing or synthetic borrowing) to multiply exposure to particular investments or markets, with the goal of multiplying returns, will also multiply losses. Leveraged investments will lose more money from downturns than unleveraged investments. The greater the leverage rate (2x, 3x), the greater the risk.

Credit Risk (or Default Risk) is the risk that the borrower will default on its obligations, for example due to its bankruptcy or insolvency.

Opportunity Risk is the risk the underlying asset may increase in value while the amount an investor receives is capped, in order to offer downside protection in the form of a buffer, barrier, knock-in, or by early redemption of the investment. Investments with performance caps will likely underperform the underlying assets during a rising market.

Concentration Risk is the risk that an investment portfolio is heavily allocated in one or few securities, industries, sectors, or geographic locations. This increases the impact of negative or positive performance compared to a portfolio which is diversified.

Insurance Carrier Risk (specific to annuity and insurance products) is the risk associated with an insurance carrier's financial strength in meeting current, ongoing, and senior financial obligations, which are obligations to policy/contract holders. An insurance carrier's balance sheet strength, operating performance and financial profile are major factors that quantify an insurance carrier's financial strength.

Global Economic Risk is the risk that national and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region, or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's investments. Major economic or political disruptions, particularly in large economies, may have global negative economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and generally have a significant impact on the economy. Such events could materially increase risks, including market and liquidity risk, and significantly reduce account values.

Currency Risk is the risk that foreign currencies will fluctuate in value relative to the U.S. dollar, adversely affecting the value of investments in foreign currencies, or other investments denominated in foreign currencies. Due to this risk, an investor can lose money if the local currency of a foreign market depreciates against the U.S. dollar, even if the market value of the investments held in that market appreciates.

Commodity Risk is the risk that investing in commodities or commodity-related securities may subject the portfolio to greater volatility over other investments. In addition to overall market movements, these investments can be adversely impacted by commodity index volatility, changes in interest rates, and factors affecting a particular industry or commodity, such as acts of God, embargoes, acts of war or terrorism, or political and regulatory developments. There is also a risk that prices for a given commodity are lower for delivery today than they are for delivery in the future ("contango").

Reinvestment Risk is the risk that, in a declining interest rate environment, investors holding interest bearing investments (such as fixed income) may have to reinvest proceeds in other investments that do not pay comparable levels of income, leading either to a reduction in cash flows or the need to reinvest in securities having a higher credit (default) risk.

Prepayment Risk (or Call Risk) is the risk that the issuer of investments with callable features (such as bonds) will exercise its right to call in order to prepay its obligations prior to maturity, which can result in a decreased rate of return and a decline in value of those investments.

4.2. Individual Equities (Stocks)

4.2.1. Equities: Overview

A share of stock is a security that represents a partial equity ownership interest in a particular company. Owning stock of a company entitles you to certain rights, such as receiving dividends the company issues and any net proceeds from the sale or liquidation of the company, if this should occur. The Firm can offer you both types of stock, common and preferred. Common stock entitles its owners to vote on certain issues pertaining to the company. Preferred stock is usually non-voting but entitles its owners to receive dividends on a priority basis before they are paid on common stock.

Each newly issued equity has a prospectus that contains important information to help you make an informed decision about an investment in the newly issued equity. You should read the equity's prospectus carefully prior to investment and consider several different factors, including the investment objective, investment strategies and risks associated with an investment in the newly issued equity.

In addition to the details provided as part of this disclosure, more information about equities can be found through the following resources:

- The SEC's website at investor.gov/introduction-investing/investing-basics/investment-products/stocks.
- The equity's offering document (if a primary market transaction)

4.2.2. Equities: Client Costs and Our Compensation

Equities in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson underwrites and distributes newly issued equities on the primary market through an IPO or similar process, it receives underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 1.0% and 7.0% (expressed as a percentage of the purchase price you pay). A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

Equities underwritten or distributed on the primary market are not offered in our retirement accounts.

Equities in Brokerage Accounts – Secondary Market Trades
D.A. Davidson offers a secondary market for equities. Where D.A. Davidson effects a secondary market trade for you on an agency basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the equities you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The following chart describes the commission rates we will charge for these trades. On occasion, your financial professional may agree to a lower (discounted) commission than the commission shown here (as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time:

Trade Amount	Commission Rate (%)
First $5,000	2.95%
Next $5,000 ($5,000.01 - $10,000)	2.10%
Next $5,000 ($10,000.01 - $15,000)	1.80%
Next $10,000 ($15,000.01 - $25,000)	1.60%
Next $25,000 ($25,000.01 - $50,000)	1.20%
Next $50,000 ($50,000.01 - $100,000)	0.85%
All additional amounts (above $100,000)	0.70%

For example, *say you wish to purchase 1,000 shares in a public company that cost $10 per share ($10,000 trade principal). The total commission we would charge would not exceed $252.50, which is the sum of:*
- $147.50 (2.95% of $5,000) on the first $5,000 of trade principal, and
- $105.00 (2.10% of $5,000) on the next $5,000 of trade principal.

In this case, your total cost for the shares would not exceed $10,252.50. (For simplicity, we are excluding any other charges that may apply, such as the $6.85 Trade Processing [Handling] Fee).

Instead, *say you wish to buy as many shares as possible with a total cost (shares plus commissions) of no more than $10,000.*

In that case, we would buy you 975 shares for $9,750, and our total commission would not exceed $247.25, which is the sum of:
- $147.50 (2.95% of $5,000) on the first $5,000 of trade principal, and
- $99.75 (2.10% of $4,750) on the next $4,750 of trade principal.

In this case, your total cost (shares plus commissions) would be no more than $9,997.25 ($9,750 for the shares plus $247.25 in commissions), so you would have $2.75 left over. (For simplicity, we are excluding any other charges that may apply, such as the $6.85 Trade Processing [Handling] Fee).

Where D.A. Davidson effects a secondary market trade for you on a principal basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a mark-up when investments are purchased, and a mark-down when investments are sold, which will be more or less than the commission schedule above. Mark-ups and mark-downs have the same effect as brokerage commissions, meaning they are added to or subtracted from the value of your transaction proceeds.

4.2.3. Equities: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to equity transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to equities: (1) Volume of and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/Investment Types; (3) Commission Rates; (4) Primary vs. Secondary Market Compensation; (5) Underwriting and Similar Fees; (6) Principal Trades; and (7) Small Trades/Discounts.

Below are additional material conflicts which apply specifically to mutual fund transactions:

- D.A. Davidson may also engage in agency cross transactions in equities. An agency cross transaction is a transaction in which D.A. Davidson acts as broker for the parties on both sides of the transaction. For its brokerage services, D.A. Davidson may receive compensation from both sides of the transaction. In acting for both sides of the transaction, the Firm will have a conflict of interest because, while it will generally seek to maximize the benefit from the transaction for both sides, D.A. Davidson will be compensated regardless of whether this objective is achieved. For brokerage accounts, agency cross trades are permitted for equity transactions when D.A. Davidson determines that each respective transaction is consistent with the client's best interest, and that by engaging in the transaction D.A. Davidson may reduce transaction and market impact costs (such as when accounts are adjusting their respective durations, when one account is in a liquidation mode while another is in an accumulation mode, or for tax management purposes). In such instances, D.A. Davidson, may recommend the sale of securities from a client's account while at or about the same time recommending the purchase of the same securities for the account of another client under certain conditions. No agency cross transactions may be affected for or on behalf of retirement accounts.

4.3. Bonds (Fixed-Income)

4.3.1. Bonds: Overview

Bonds are fixed income (debt) investments issued by different types of governmental and non-governmental issuers. When you purchase a bond, you are lending funds to the issuer. In exchange, the issuer agrees to pay a stated rate of interest – called the bond's coupon rate – until the end of the bond's life (the "maturity") or until the bond is redeemed by the issuer (if the terms of the bonds permit that through a call feature). At maturity, or when the bond is redeemed, the issuer also agrees to return your money invested (your principal). Bond maturities range from very short terms of one week all the way up to 30 years or more.

The interest or coupon rate of a bond will be based on a variety of factors, such as credit quality and maturity. The more creditworthy a borrower, the less interest they will offer to pay; whereas the less creditworthy a borrower, the more they will offer to pay. Additionally, longer-term bonds will usually have to pay higher rates to compensate investors.

Market conditions also influence existing bond pricing. For example, if market interest rates decrease, the value of bonds with higher interest rates could increase, and if market interest rates increase, the value of bonds with lower interest rates could decrease.

The bonds (by issuer type) we offer fall into one of these categories:

Corporate bonds: Issued by public and private companies to fund that company's projects. Interest payments on corporate bonds are usually made semi-annually. Corporate bonds may be redeemable by the issuer prior to maturity upon the occurrence of certain events as enumerated in the offering document or prospectus. Corporate bonds are not tax-exempt products.

Treasuries and Other U.S. Government Guaranteed bonds: Issued and backed by the full faith and credit of the U.S. Government to fund federal projects. The timing of interest payments varies depending on the type of treasury or government bond. Treasuries and government bonds may be redeemable by the issuer prior to maturity upon the occurrence of certain events as enumerated in the offering document or prospectus. Treasury and government bond interest payments are not exempt from federal income taxation but may be exempt from state and local taxation.

Municipal bonds: Issued by state and local government entities to finance public works and other projects. Interest payments on municipal bonds are usually made semi-annually. Municipal bonds may be redeemable by the issuer prior to maturity upon the occurrence of certain events as enumerated in the offering document or prospectus. For many municipal bonds, interest payments are exempt from federal income taxation. In some cases, municipal bonds are also exempt from state and local income taxation. Tax-exempt municipal bonds generally pay lower coupon rates than other bonds with similar credit quality because they offer investors this additional tax advantage.

Municipal bonds acquired at too steep a discount could be subject to an unexpected tax because of the 'de minimus rule', which applies to municipal bonds acquired at a discount of less than 0.25% (the de minimus threshold). For each full year from the time of purchase to maturity, gains resulting from the discount are taxed as capital gains rather than ordinary income. The ordinary income tax rates are generally higher than the capital gains rate. Steeper discounts are caused by rising interest rates generally, or a credit event that affects the value of the bonds.

Generally, there are two types of municipal bonds:

- General Obligation Bonds - The issuer's obligation to pay principal and interest due to bondholders is usually secured by the "full faith and credit" of the government issuer, which is usually supported by the issuer's taxing power. **Please note that all general obligation bonds have at least some Credit Risk (in other words, risk of default). They should not be confused with Treasuries *and other U.S. Government guaranteed* bonds and similar instruments that are backed by the "full faith and credit" of the U.S. Government and are generally considered to have no Credit Risk.**
- Revenue Bonds - The issuer's obligation to pay principal and interest due to bondholders is supported just by the revenues derived from the public works or other project specified in the bond issue (for example, tolls from a road, revenues collected by a public utility or hospital, etc.), and not by the full faith and credit of the government issuer. Some revenue bonds, called "conduit" bonds, are issued to benefit a charity, hospital, university, or other entity, which borrows the funds generated by the bonds from the issuing government. The issuer is usually not responsible if required payments to bondholders on "conduit" revenue bonds are not made. More broadly, if any revenue bond is a "non-recourse" bond and payments are not made when due, bondholders do not have a claim against the issuer, or the underlying project or its revenue stream.

Mortgage-backed Securities (MBS): Issued by mortgage lenders and secured by mortgages on homes and other real estate.

- Many mortgage-backed securities are agency securities – i.e., issued by U.S. government agencies. **However, it is important to understand that agency bonds issued by government-sponsored enterprises like the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are not guaranteed by the full faith and credit of the U.S. Government.** They carry Credit Risk (in other words, risk of default).
- Agency bonds issues by the Government National Mortgage Association (Ginnie Mae or GNMA) are guaranteed by the full faith and credit of the U.S. government.

Each newly issued bond has a prospectus or offering memorandum that contains important information to help you make an informed decision about an investment in the newly issued bond. You should read the newly issued bond's prospectus carefully before investing. In deciding whether to invest in a newly issued bond, you should consider several different factors, including the investment objective, investment strategies and risks associated with an investment in a particular newly issued bond.

In addition to the details provided as part of this disclosure, more information about bonds can be found through the following resources:

- The bond's offering document (if primary market transaction)
- FINRA's website: finra.org/finra-data/fixed-income which provides information about pricing and issuer credit ratings
- Municipal Securities Rulemaking Board's (MSRB) website: msrb.org
- MSRB's Electronic Municipal Market Access (EMMA) website: emma.msrb.org
- U.S. Securities and Exchange Commission (SEC) at investor.gov

4.3.2. Bonds: Client Costs and Our Compensation

Bonds in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson underwrites and distributes newly issued bonds on the primary market through an IPO or similar process, it receives underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 0.35% and 2.0% (expressed as a percentage of the purchase price you pay). A percentage of these fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

Bonds traded on the primary market are not traded in our retirement accounts.

Bonds in Brokerage Accounts - Secondary Market Trades
D.A. Davidson offers a secondary market for bonds. Where D.A. Davidson effects a secondary market trade for you on an agency or principal basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account mark-ups or mark downs.

The following chart describes the mark-up and mark-down amounts we charge for these trades according to the bond's maturity. These rates are set to align with fixed income product pricing, where longer maturities generally result in more income to the holder. Note that your mark-up or mark-down may also be lower than the amount noted below due to discounting or the market price, among other factors. In limited instances, your mark-up or mark-down may be higher than the amount noted below due to extenuating circumstances. Please also note that these mark-ups and mark-downs are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time. Note that mark-ups and mark-downs on bonds are not typically reflected in trade confirmations you receive from our Firm unless they are required to be reflected by applicable regulation. However, your financial professional can help you determine the amount of the mark-up or mark-down associated with any bond trade.

Fixed Income Pricing for secondary market (previously issued) bond transactions (not to exceed 3% of the bond's face value, except in limited instances):

Maturity	Mark-Up on Purchase per Bond
Less than one (1) year	$2.50
1-<2 years	$10.00
2-<5 years	$15.00
5 years & longer	$20.00

Maturity	Mark-Down on Sale per Bond
Less than one (1) year	$2.50
1-<2 years	$5.00
2-<5 years	$7.50
5 years & longer	$10.00

For example, *say you wish to purchase 10 bonds each with a $1,000 par (face) value ($10,000 total), having a maturity of four years. The total mark-up adjustment would not exceed $15.00 per bond, or $150.00 in this example.*

Your total cost for the bonds would not exceed $10,150.00 (for simplicity, we are excluding any other charges described in 4.2.2 (Equities: Client Costs and Our Compensation) that may apply, such as the $6.85 Trade Processing [Handling] Fee).

4.3.3. Bonds: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to bond transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to bonds: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/Investment Types; (3) Primary vs. Secondary Market Compensation; (4) Underwriting and Similar Fees; (5) Principal Trades; and (6) Small Trades/Discounts.

Below are additional material conflicts which apply specifically to bond transactions:

- D.A. Davidson may also engage in agency cross transactions in bonds. An agency cross transaction is a transaction in which D.A. Davidson acts as broker for the parties on both sides of the transaction. For its brokerage services, D.A. Davidson may receive compensation from both sides of the transaction. In acting for both sides of the transaction, the Firm will have a conflict of interest because, while it will generally seek to maximize the benefit from the transaction for both sides, D.A. Davidson will be compensated regardless of whether this objective is achieved. For brokerage accounts, agency cross trades are permitted for bond transactions when D.A. Davidson determines that each respective transaction is consistent with the client's best interest, and that by engaging in the transaction D.A. Davidson may reduce transaction and market impact costs (such as when accounts are adjusting their respective durations, when one account is in a liquidation mode while another is in an accumulation mode, or for tax management purposes). In such instances, D.A. Davidson, may recommend the sale of securities from a client's account while at or about the same time recommend the purchase of the same securities for the account of another client. No agency cross transactions may be affected for or on behalf of retirement accounts.

4.3.5. Bonds: Extreme Market Conditions

In the event of extreme market conditions impacting trading in bonds, clients may experience: an increase in average time of execution, limited or no liquidity, and varying levels in pricing, which may result in challenges for the Firm to obtain fair, consistent, and reasonable quotes. D.A. Davidson may take additional and atypical steps to fill fixed income orders during extreme market conditions and depending on facts and circumstances, notably client needs, may execute client orders with fewer quotes and or wider spreads in prices. It is important to consult with your financial professional to gain a better understanding of the current market conditions, as they may vary depending on the environment and will likely change rapidly.

4.4. Certificates of Deposit (CDs) (Fixed-Income)

4.4.1. CDs: Overview

CDs are deposit products of deposit institutions ("issuers"), which are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to certain limitations. All CDs that we offer to clients are from FDIC-insured banks. The purchase amount of a CD, minus applicable fees, is deposited with the issuing bank, which agrees to pay a stated rate of interest for a specific period of time, and to return the investor's money at the end of the CD's life (the "maturity"). CDs are offered in a wide range of maturities.

Although not a security, CDs are a type of fixed income (debt) investment, similar in some ways to bonds. Like most bonds, CDs carry some default risk or credit risk, meaning that the issuing bank could default and be unable to pay interest and principal owed when due. However, CDs are bank deposits, and for each bank that is a member of the FDIC, the deposits of each depositor of the bank up to $250,000 are eligible for FDIC insurance coverage. FDIC insurance is designed to reduce the credit risk/default risk of CDs and other bank deposits. For additional details regarding FDIC insurance and its limitations, refer to the Certificate of Deposit

Disclosure Statement which is provided to you upon purchasing a CD. For information on equity-linked CDs, refer to Section 4.15 (Structured Products).

Some CDs allow investors to redeem prior to maturity, subject to an early redemption fee or penalty. Otherwise, early withdrawals are generally not permitted. D.A. Davidson, though not obligated to do so, may maintain a secondary market for CDs. If you wish to sell your CD prior to maturity and D.A. Davidson does not maintain a secondary market, D.A. Davidson may attempt to sell your CD in a secondary market maintained by another broker-dealer. D.A. Davidson cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, a secondary market for CDs may be discontinued at any time without notice. Therefore, you should not rely on any such ability to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to maturity, or having access to proceeds prior to maturity.

The majority of CDs we offer fall into one of these categories:

Interest Bearing CDs: Interest-bearing CDs pay interest at either a fixed rate or at a variable rate. A fixed rate CD will pay the same interest rate throughout the life of the CD. The interest rate on variable rate CDs may increase or decrease from the initial rate at pre-determined time periods ("steprates") or may be reset at specified times based upon the change in a specific index or indices ("floating rates"). The dates on which the rates on step-rate CDs will change or the rates on floating rate CDs will reset, as well as a description of the basis on which the rate will be reset, will be set forth on the trade confirmation or a supplemental document.

Zero-Coupon CDs: Zero-coupon CDs do not bear interest, but rather are issued at a substantial discount from the face or par amount, the minimum amount of which is $1,000. Interest on the CD will "accrete" at an established rate and the holder will be paid the par amount at maturity.

Callable CDs. Callable CDs present different investment considerations than CDs not subject to call by the issuer. You may face the risk that: (i) the CD may be paid off prior to maturity as a result of a call by the issuer and your return would be less than the yield that the CD would have earned had it been held to maturity; (ii) if the CD is called, you may be unable to reinvest the funds at the same rate as the original CD; and/or (iii) the CD is never called and you may be required to hold the CD until maturity. You should carefully review your trade confirmation for terms of your CD, including the time period when the issuer may call your CD.

In addition to the details provided as part of this disclosure, a Certificate of Deposit Disclosure Statement will be provided to you when you purchase a CD.

4.4.2. CDs: Client Costs and Our Compensation

CDs in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson underwrites and distributes newly issued CDs on the primary market through an IPO or similar process, it receives underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 0.35% and 2.0% (expressed as a percentage of the purchase price you pay). A percentage of fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

CDs in Brokerage Accounts - Secondary Market Trades
D.A. Davidson offers a secondary market for CDs. Where D.A. Davidson effects a secondary market trade for you on an agency or principal basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account mark-ups or mark downs.

The following chart describes the mark-up and mark-down rates we charge for these trades according to the CD's maturity. These rates were set to align with fixed income product pricing, where longer maturities generally result in more income to the holder. Note that your mark-up or mark-down may also be lower than the maximum noted below due to discounting or the market price, among other factors. Please also note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time. Note that mark-ups and mark-downs on CDs are not typically reflected in trade confirmations you receive from our Firm unless they are required to be reflected by applicable regulation. However, your financial professional can help you determine the amount of the mark-up or mark-down associated with any CD trade.

CDs on the secondary market are not traded on a principal basis in our retirement accounts.

Fixed Income Pricing for secondary market (previously issued) CD transactions:

Maturity	Maximum Mark-Up on Purchase
Less than one (1) year	0.25%
1-2 years	1.0%
3-5 years	1.5%
6 years & longer	2.0%

Maturity	Maximum Mark-Down on Sale
Less than one (1) year	0.25%
1-2 years	0.5%
3-5 years	0.75%
6 years & longer	1.00%

4.4.3. CDs: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to CD transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to CDs: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/Investment Types; (3) Primary vs. Secondary Market Compensation; (4) Underwriting and Similar Fees; (5) Principal Trades; and (6) Small Trades/Discounts.

D.A. Davidson is not affiliated with any bank for those CDs we recommend and sell to clients.

4.5. Options

4.5.1. Options: Overview

Options are investment contracts that give the buyer (the owner) a right to either buy or sell a pre-determined amount of an underlying asset at a pre-determined price (called the strike price), on or before a pre-determined date (called the expiration date). Typically, one option contract represents 100 shares of the underlying asset. Options are derivative investments because their value, performance, and risks are derived from that of the underlying asset. The underlying assets offered at D.A. Davidson are primarily equity securities, indices, and ETFs.

There are two primary types of option contracts:

- Call options give the owner (buyer) the right to buy a pre-determined amount of an underlying asset at the strike price on or before the option's expiration date.
- Put options give the owner (buyer) the right to sell a pre-determined amount of an underlying asset at the strike price on or before the option's expiration date.

There are two parties to an options contract:

- The buyer (owner) pays the current market price ("premium") for the contract and gets the benefit of certain rights described in the contract ("contractual rights"). When the buyer (owner) enforces the rights provided by the option contract, it is called an "exercise" of the option contract.
- The seller (writer) collects the premium from the buyer in exchange for giving the buyer their contractual rights. When you sell or write an options contract, you have the obligation to honor the contract if the buyer exercises the option. Specifically, you will either be required to buy or sell the asset at the strike price. When the buyer exercises an option contract which you have sold, you will be "assigned" the option and required to fulfill the obligations called for by the contract. These obligations can lead to large financial losses. For this reason, the risk of selling/writing options contracts is generally higher than buying/owning them.

In all cases, which party makes money on an options contract (and how much) depends on the price movement of the underlying asset. For a call option, the owner/buyer benefits when the underlying asset appreciates (goes up in value) and the seller/writer benefits when it does not. For a put option, the owner/buyer benefits when the underlying asset depreciates (goes down in value) and the seller/writer benefits when it does not. When you are an owner/buyer, you should give us instructions in order to exercise your option's rights. If you are the owner/buyer, D.A. Davidson may exercise your option's rights, but it is not obligated to do so.

Due to the complex nature of options contracts, D.A. Davidson will limit the types and strategies of option trading that we recommend to you, and allow you to perform, within your account.

In addition to the details provided as part of this disclosure, more information about options can be found through the following resources:

- Options Disclosure Document ("ODD") - Characteristics & Risks of Standardized Options: theocc.com/Company-Information/Documents-and-Archives/Options-Disclosure-Document
  - Prior to buying or selling options, you will have to enter into our Option Application and Account Agreement, and you will receive a copy of the ODD
- The Options Institute: cboe.com/optionsinstitute/options_basics/
- D.A. Davidson's Option Booklet & Uncovered Writing Disclosure Statement: dadavidson.com/Portals/0/bus-corp/Disclosures/da_davidson_co/options_characteristics_and_risks.pdf
- U.S. Securities and Exchange Commission (SEC) at investor.gov/introduction-investing/investing-basics/investment-products

4.5.2. Options: Client Costs and Our Compensation

Options in Brokerage Accounts – Secondary Market Trades
D.A. Davidson offers a secondary market for options. Where D.A. Davidson effects a secondary market trade for you on an agency basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the options you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The following chart describes the commission rates we will charge for these trades. On occasion, your D.A. Davidson financial professional may agree to a lower (discounted) commission than the commission shown here (as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time:

Trade Principal (Amount)	Commission Rate (%)
First $1,000	5.00%
Next $4,000 ($1,000.01 - $5,000)	2.50%
Next $10,000 ($5,000.01 - $15,000)	1.50%
All additional amounts (above $15,000)	0.50%

In addition to the percentage-based commission a $3.00 per option contract commission will be added on option trades priced at $1.00 or above and a $1.75 per option contract commission will be added on option trades priced at less than $1.00.

As explained above, if exercising your option contract or if you are assigned an option contract which you have sold, you will pay a separate commission on the transaction in the underlying asset. The brokerage commission charged will be in accordance with the commission rates in Section 4.1.2 (Equities: Client Costs and Our Compensation).

If you are the owner/buyer or seller/writer, you will also pay or receive, respectively, the premium associated with the options contract, which will differ based on the terms of the option contract and the volatility of the underlying asset.

4.5.3. Options: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to options transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to options: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/Investment Types; and (3) Commission Rates.

4.6. Mutual Funds

4.6.1. Mutual Funds: Overview

A mutual fund ("fund") is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors can buy shares in mutual funds and each share represents an investor's part ownership in the fund and the investment returns it generates. Mutual funds issue shares on a continuous basis, and there is no secondary trading market for mutual fund shares, rather they are sold back (or redeemed) by the fund. Mutual funds are required to sell their shares at the fund's net asset value (NAV) per share plus any applicable sales charge or "load," which are described below. The fund's NAV is essentially the "per share" value of the fund's assets over its liabilities (and is the market value of the mutual fund shares).

As a general matter, because mutual funds hold a number of underlying securities, they are better diversified (and therefore should be less volatile) than investments in individual securities such as stocks and bonds. However, all mutual funds carry risks, including loss of your investment principal. The risks associated with a particular mutual fund will correlate to those of its underlying investments and markets and will fluctuate as the underlying investments increase or decrease in value.

The Firm offers a wide range of mutual funds from many different fund companies, and across many asset classes, strategies, and styles. If you invest in mutual funds, in some cases they may be held (custodied) by D.A. Davidson, and in other cases they may be directly held with the fund company.

Funds are also offered in different share classes having different characteristics, fees and expenses, as summarized below. Regardless of the share class an investor owns, the investor owns an interest in the same portfolio of underlying securities. You should consider the length of time you expect to hold your investment in a mutual fund, as it will generally play an important role in determining which share class is most appropriate for you and discuss this with your financial professional. The various types of fees and expenses denoted for each share class are further described in Section 4.6.2 (Mutual Funds: Client Costs and Our Compensation).

Class A shares

- Front-end sales charge is deducted from the amount invested at time of purchase; thus, less than 100% of purchase is invested
- Lower operating expenses than Class B and C shares
- Typically do not have a contingent deferred sales charge ("CDSC") however, CDSC may apply in certain circumstances
- Breakpoint discounts available on larger purchases (see "Breakpoint Discounts" below)
- 12b-1 fees for Class A shares are typically 0.25% annually

Class B shares

- No front-end sales charge; thus, 100% of purchase amount is invested
- Typically have a CDSC that decreases over time
- Higher operating expenses than Class A shares
- Conversion to Class A shares typically occurs between six and eight years from date of purchase
- Usually not appropriate for larger purchase amounts
- Please note that we do not typically sell Class B mutual fund shares to clients (though some of our clients may have pre-existing Class B mutual fund holdings

Class C shares
- Typically no front-end sales charge exists; thus, 100% of purchase is invested
- CDSC of 1% typically applies to redemptions made within 12 to 18 months after the shares are purchased
- Higher operating expenses than Class A shares
- Conversion to Class A shares typically occurs between six and eight years from date of purchase
- Usually not appropriate for larger purchase amounts or longer holding periods
- 12b-1 fees for Class C shares are typically 0.75% - 1.0% annually

Class R shares
- Typically offered to eligible 401(k) and other retirement or deferred compensation plans
- No front-end sales charge or CDSC
- Higher 12b-1 Fee expenses than Class A shares, but lower than Class C shares; 12b-1 fees are typically 0.25% to 0.50% annually

Money Market Mutual Funds
- Typically managed with the objective to preserve a stable value of $1.00 per share (not guaranteed)
- No front-end sales charge or CDSC
- Can impose liquidity fees, not to exceed 2% of the redemption amount, and/or temporarily suspend redemption privileges if a fund's weekly liquid assets fall below a designated threshold set by the SEC.

No Load Funds
- Typically no front-end sales charge exists; thus, 100% of purchase is invested
- No front-end sales charge or CDSC
- Higher operating expenses than Class A and R shares
- 12b-1 fees for No Load funds typically range from 0% - 0.75%

Class E shares Only available through employer-sponsored education savings plans (see Section 4.7 (529 Plans) below)
- No front-end sales charge or contingent deferred sales charge
- May not be available for all investment options
- 12b-1 fees for Class E shares are typically 0.50% annually

Each mutual fund has a prospectus that contains important information to help you make an informed decision about an investment in the fund. You should read the fund's prospectus carefully before investing. In deciding whether to invest in a mutual fund, you should consider several different factors, including the mutual fund's investment objective, investment strategies and risks, the investment adviser responsible for the management of the mutual fund's assets, and the fees and expenses associated with the fund.

Additionally, FINRA maintains a Mutual Fund Expense Analyzer tool on its website at finra.org that can help you decide on the right share class for your situation.

4.6.2. Mutual Funds: Client Costs and our Compensation

Mutual Funds in Brokerage Accounts Fees and Costs – Sales Charges
As noted in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings) you will often pay a sales charge when you buy shares of a mutual fund. These costs may include transaction fees, such as front-end or contingent deferred sales charges (often referred to as "loads"), paid directly by you as a fund investor.

We receive a portion of the mutual fund's sales charges to compensate us for our efforts, and the efforts of our financial professionals, in selling shares of the mutual fund. The amount of the sales charges we receive from your investment depends on the specific circumstances such as the specific fund, share class and amount of investment you choose.

Most mutual funds utilize multiple share classes, with differing sales charges. Though there are many different types of share classes, the most common share classes available to you are Class A, Class C, and Class R, as previously described.

The most common types of mutual fund sales charges are:

- **Front-end sales charges.** A sales charge is deducted from a mutual fund investment at the time of purchase (front-end) and calculated as a percentage of the total investment purchase. Typical schedules of front-end sales charges range from 4.5-6.0% for investments of less than $25,000, decreasing incrementally down to 0% for very large investments ("breakpoint rates" as described below). Most of the front-end sales charges deducted from a mutual fund investment are paid as a commission to the broker who made the sale, such as D.A. Davidson. A percentage of the sales charges received are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).
- **Back-end sales charges.** A back-end sales charge is sometimes referred to as a contingent deferred sales charge ("CDSC"). This charge, which decreases over time, is deducted from a mutual fund investment if the fund shares are sold prior to a specified period as stated in the mutual fund prospectus. The CDSC is calculated as a percentage of the total sales proceeds. The level of the applicable CDSC will decline over time until it is eventually eliminated. CDSC timelines are applied to each mutual fund purchase separately, including subsequent purchases of the same fund. In effect, your investment may have a rolling series of CDSCs based on each individual purchase date. A CDSC may also apply in some special circumstances as outlined in the mutual fund prospectus. A percentage of the CDSCs received are paid by D.A. Davidson to your financial professional, according to his or her production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone) above.

- **Asset-Based Distribution/Service Fees (12b-1 Fees).** Generally, these fees are deducted from a mutual fund's assets to cover a fund's marketing and distribution expenses. 12b-1 fees reduce the overall returns of the mutual fund and are disclosed in a fund's prospectus. These 12b-1 fees are shared between D.A. Davidson and the fund's distributor as set forth in the prospectus, and a percentage of the 12b-1 fees received are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).
- **Sub-Accounting Related Services.** D.A. Davidson receives compensation from mutual funds when providing sub-accounting and other administrative services with respect to mutual fund positions. This compensation, also called sub-transfer agent ("sub-TA") fees may also be paid to D.A. Davidson by third parties hired by D.A. Davidson to provide these services. These services include processing purchases, redemptions and exchanges, dividend reinvestment, tax reporting and other recordkeeping services. D.A. Davidson does not share any portion of the sub-accounting or sub-TA fees we receive with our financial professionals.

Sales Charge Discounts. For Class A shares, the amount of front-end sales charges you pay can vary based on certain discounts you might qualify for. Please note that it is your responsibility to inform your financial professional of all your mutual fund holdings and your future intent with regard to mutual fund holdings to help ensure you receive appropriate discounts. You may be asked to provide proof of this ownership. The full details of each mutual fund's sales charge discounts are contained in the mutual fund prospectus. To briefly summarize the most common types of discounts available:

- **Breakpoint Discounts.** Class A shares of mutual funds give qualifying investors the right to receive a front-end sales charge discount when "breakpoints" (or investment dollar thresholds) are reached. The breakpoint schedule for each mutual fund is detailed in the fund prospectus. Breakpoint discounts are available on initial and subsequent purchases. Also, discounts on purchases may be obtained based on current holdings in the same fund family (see "Rights of Accumulation" below) or a commitment of future purchases (see "Letters of Intent" below).
- **Initial Purchases.** When making an initial purchase of Class A shares in one mutual fund family, the front-end sales charge and minimum purchase requirement to obtain a discount can be determined by referring to the sales charge schedule in the fund's prospectus.
- **Rights of Accumulation.** Breakpoint discounts may also apply to additional purchases based on an investor's existing holdings within a fund family. These discount entitlements are referred to as Rights of Accumulation ("ROA").
  When calculating the value of an investor's current mutual fund family holdings for ROA purposes, the value of shares owned at all financial institutions, including the fund company directly, combined with the value of shares owned in certain family member and related accounts, may count toward a breakpoint discount. In fact, many mutual fund families allow investors to aggregate the value of shares owned by the investor, the investor's spouse and minor children when determining the breakpoint discount.
- **Letter of Intent.** Discounts on purchases of Class A mutual fund shares may also be obtained based on the investor's promise of future, additional fund purchases. Signing a Letter of Intent ("LOI") commits the investor to purchase a specified amount of Class A shares within a defined period of time, usually 13 months. This commitment is made in exchange for the right to immediately receive a breakpoint discount. If the investor subsequently fails to invest the amount of the LOI commitment, the fund will retroactively deduct the correct sales charges based on the amount that was actually invested.

Proprietary and Affiliated Funds. In addition to the various sources of compensation summarized above, certain of D.A. Davidson's affiliates manage or sub-advise mutual funds that might be recommended to you:

- **Davidson Multi-Cap Equity Fund.** The Davidson Multi-Cap Equity Fund ("Multi-Cap Equity Fund"), for which Davidson Investment Advisors, Inc. ("DIA") serves as the investment adviser, may be recommended by your D.A. Davidson financial professional for your brokerage account. DIA receives fees for advising the Multi-Cap Equity Fund, which are disclosed in the Multi-Cap Equity Fund prospectus. Those fees are based on the amount of assets held in the Multi-Cap Equity Fund which increases with any new purchases of shares. As a mutual fund shareholder, you would pay indirectly a portion of the ongoing expenses of the Multi-Cap Equity Fund (which include the DIA advisory fee, all 12b-1 Fees and all other ongoing fees incurred in the administration of the Multi-Cap Equity Fund, as described above). By purchasing the Multi-Cap Equity Fund in a D.A. Davidson brokerage account, you would also pay D.A. Davidson any transaction fees associated with the Multi-Cap Equity Fund. For more information regarding the Multi-Cap Equity Fund, see the prospectus available at davidsonmutualfunds.com.

Mutual Funds in Brokerage Accounts – Ongoing Fees and Expenses
Mutual funds typically have direct costs associated with them that you pay indirectly as an investor. These fees and expenses (often described as the "expense ratio") will impact investment returns and are fully described in the mutual fund prospectus provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses. As noted above, the ongoing fees and expenses can also include fees commonly referred to as recordkeeping, shareholder servicing or distribution fees (such as 12b-1 fees), which can be received by D.A. Davidson on an ongoing basis. A percentage of those fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

4.6.3. Mutual Funds: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to mutual fund transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to mutual funds: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Share Classes; (4) Education and Marketing Support; (5) Gifts from Sponsors; (6) Revenue Sharing; (7) Recordkeeping/Shareholder Servicing/Distribution Fees; (8) Proprietary Products; and (9) Small

Trades/Discounts.

Below are additional material conflicts which apply specifically to mutual fund transactions:

- **Differential Compensation Across Mutual Fund Options.** Compensation to our Firm and financial professionals can differ between mutual funds. To help manage the financial incentive that our financial professionals have to recommend certain mutual funds over others, we cap (limit) the amount of the sales charges that are taken into account in determining our financial professionals' compensation as follows:

    - Front-end sales charges for Class A shares are capped at 3.5%
    - CDSCs for Class C shares are capped at 1.0%

  Despite this limit, a financial professional would still receive higher pay for recommending a fund that pays 3.5% over one that pays any lower amount (i.e., the financial professional would receive credit for 3.0% if this is what the fund pays, 2.5% if this is what the fund pays, etc.) **Also, in all cases the full amount of the dealer commission described in the mutual fund's prospectus is still paid to D.A. Davidson; any excess over the cap is simply retained by our Firm and not passed on to our financial professionals.** To help manage these incentives further we require our financial professionals to evaluate mutual funds using an analytical tool that compares mutual funds based on varying criteria.
- **Proprietary and Affiliated Funds.** D.A. Davidson, considered together with our affiliates DIA, will receive more total compensation if you select the Davidson Multi-Cap Equity Fund over a fund managed by a third party. To help manage this conflict, our financial professionals are paid the same amount for selling the Davidson Multi-Cap Equity Fund as for any other mutual fund(s), holding all other variables (for example, investment amount, share class, etc.) equal.
- **Proprietary and Affiliated Funds.** D.A. Davidson, considered together with our affiliates DIA and DFIM, will receive more total compensation if you select the Davidson Multi-Cap Core Mutual Fund or the Aquila Funds over a fund managed by a third party. To help manage this conflict, our financial professionals are paid the same amount for selling the Davidson Multi-Cap Core Mutual Fund as for any other mutual fund(s), holding all other variables (for example, investment amount, share class, etc.) equal.
- **Share Classes.** The total compensation we will receive (sales charges, 12b-1 Fees, etc.) over time will generally be higher if you choose a share class that is more costly to you, as these will typically pay us higher up-front sales charges and similar payments or higher ongoing payments such as 12b-1 Fees. To help manage this conflict, D.A. Davidson has policies and procedures in place that require our financial professionals to consider a client's expected time horizon for an investment and existing and anticipated holdings before recommending a particular share class. D. A. Davidson has also adopted a Class C Share Conversion Program to reduce the potential for investors to hold Class C shares beyond the point where the ongoing costs of ownership can be excessive**.** Under this program, if the Class C shares are eligible and held for six or more years, they will automatically convert into Class A shares of the same fund at the net asset value without the sales charge that typically applies to Class A share purchases. The share class conversion is not treated as a taxable event. This allows investors to benefit from the lower ongoing costs of Class A shares.
- **Discounts.** With respect to Class A mutual fund investments, we will receive higher amounts of front-end sales charges if you do not qualify for the types of discounts described under Section 4.6.2 (Sales Charge Discounts). This could occur if you choose to make a number of smaller investments across a wide variety of fund families, as opposed to larger investments within a smaller number of or the same fund family. To help manage this conflict, D.A. Davidson has policies and procedures in place that prohibit our financial professionals from making recommendations that are designed to prevent clients from benefiting from sales charge discounts.

4.7. 529 Plans

4.7.1. 529 Plans: Overview

529 Plans are tax-advantaged municipal (state-sponsored) investment programs designed specifically for education savings by allowing investment earnings to grow tax-deferred, and withdrawals to be exempt from federal taxation and generally exempt from state taxation when used for qualified education expenses. There are two types of 529 Plans: education savings plans and prepaid tuition plans. Education savings plans permit investors to allocate contributions to investment options made available in the plan (which can include mutual funds, ETFs and/or a bank product). Prepaid tuition plans allow investors to lock in tuition rates at certain specified educational institutions. The Firm only offers education savings plans and does not offer prepaid tuition plans. Another feature of 529 Plans is the ability to roll all or a portion of the assets into a Roth IRA without triggering income tax or penalties if certain criteria are met.

You can enroll in an education savings plan by directly enrolling with the state or plan's program manager ("Direct-Sold Plan") or by accessing the plan though a financial professional ("Advisor-Sold Plan"). You are responsible for managing your own investments in a Direct-Sold Plan. D.A. Davidson can only offer and make recommendations for Advisor-Sold Plans. You should consider the important differences in services and costs between Direct-Sold education savings plans and the Advisor-Sold Plans that D.A. Davidson can offer to you. For any education savings plan purchased through D.A. Davidson you will receive account statements and trade confirmations directly from the education savings plan program manager (often a mutual fund company), not from our Firm.

Education savings plans invest your after-tax contributions into investment portfolios such as mutual funds. The value of your education savings plan will fluctuate as the underlying investments increase or decrease in value. When education savings plans offer mutual funds, the most common share classes available to you through D.A. Davidson are Class A, Class C, and Class E (see Section 4.6 (Mutual Funds) for more information about mutual fund share classes.

Each education savings plan has a program disclosure document (often called a program description or official statement) to help you make an informed decision about an investment in the education savings plan. You should read the program description carefully before investing. In addition to providing the program disclosure document, your financial professional will also provide you with a ‘529 Plan Information’ form explaining any education saving plan recommendations.

In deciding whether to invest in an education savings plan you should consider several different factors. For example, the asset allocation of the education savings plan should be based on the timeframe when the funds are needed (commonly the age of the beneficiary). Note, however, there is no guarantee that the amount invested in an education savings plan will equal the amount you need for future education expenses and there is a risk that you may lose all or part of your plan account value. It is also important for you to consider state tax advantages when choosing an education savings plan as tax treatment of education savings plans vary by state. In a majority of states, contributions are either state tax deductible or eligible for a state tax credit only if you are a resident of the state-sponsored education savings plan. Alternatively, some states offer state tax deductions or credits for contributions to any state’s plan while other states offer no state tax benefits. You should carefully discuss these issues with your tax advisor before investing in any education savings plan.

4.7.2. 529 Plans: Client Costs and Our Compensation

Education Savings Plans Fees and Costs
The fees that D.A. Davidson and its financial professionals earn for Advisor-Sold Plans are based on the investments recommended to you. For example, if we recommend a mutual fund, the fees we earn will be the same as those described under Section 4.6 (Mutual Funds).

In addition to the costs of the investments paid to D.A. Davidson and its financial professionals, Advisor-Sold Plans may charge administrative fees, such as an enrollment/application fee, annual account maintenance fees, ongoing program management fees, and ongoing asset management fees. Some of these fees are collected by the state sponsor of the plan and some are collected by the plan manager. These fees may not apply to Direct-Sold Plans. In addition, some education savings plans will waive or reduce the administrative fees if you maintain a large account balance, participate in an automatic contribution plan, or are a resident of the state sponsoring the education savings plan. Some education savings plans also offer fee waivers if the saver accepts electronic-only delivery of documents or enrolls online.

4.7.3. 529 Plans: Material Conflicts of Interest

There are conflicts between our interests and those of our clients relating to education savings plans. Education savings plans will have the same conflicts as each underlying security they hold as described under each security type in this Section 4 (Characteristics, Risks, Fees and Costs Associated with Specific Investments). For example, if we recommend a mutual fund, the conflicts of interest will be the same as those described under Section 4.6.3 (Mutual Fund Conflicts of Interest). There are also conflicts of interest that may arise when clients roll assets from a 529 Plan into a Roth IRA at D.A. Davidson because it will increase the assets at D.A. Davidson and generate compensation the Firm and its financial professionals. We mitigate this conflict by educating clients on considerations regarding this type of rollover and by not providing a recommendation. Clients must make an independent decision on whether to engage in this transaction. D.A. Davidson and its financial professionals do not provide tax or legal advice.

Below are additional material conflicts of interest which apply specifically to recommending Advisor-Sold education savings plans:

- **Differential Compensation Across Education Savings Plans.** Depending on your state of residency, you may have various options for establishing education savings plans maintained by both your state of residency or other states. Each state determines what investment options are available within that state’s education savings plans. Based on the compensation paid for transactions in these investments, our financial professionals have an incentive to recommend you establish an education savings plan in a state that offers products with a higher rate of compensation. To help manage the financial incentive that our financial professionals have to recommend certain education savings plans over others, we supervise recommendations of out of state plans.

4.8. Closed-End Funds

4.8.1. Closed-End Funds: Overview

Closed-end funds are similar to mutual funds in that they pool money from many investors and invest in a portfolio of securities comprised of stocks, bonds, and short-term debt. However, closed-end funds differ from mutual funds in that they do not offer shares continuously, but rather typically issue a limited number of shares through an initial public offering (an “IPO”). They also do not allow investors to redeem their shares at all (or do so only on occasion, for example through a tender offer). Rather, shares of closed-end funds trade on the secondary markets, similar to shares of equities and change in value based on the market price (which may or may not be based on the value of the underlying portfolio). The trading prices for shares of a closed-end fund will often be lower or higher than its net asset value (NAV or value of the fund’s assets over its liabilities).

Closed-end funds hold a number of underlying securities and carry risks, including loss of your investment principal. The risks associated with a particular closed-end fund will correlate to those of its strategy, and underlying investments and markets. Leveraged closed-end funds also carry greater risk than non-leveraged funds. The strategies, approaches and risks of various closed-end funds differ significantly, but as a general matter, they are often considered to be higher-risk investments than most mutual funds. Likewise, if you sell a closed-end fund on the secondary market, the price you receive may be lower than you paid, and lower than its NAV at the time of sale.

Each newly issued closed-end fund has a prospectus that contains important information that will help you make an informed decision about an investment in the fund. You should read the fund’s prospectus carefully before investing. In deciding whether to invest in a closed-end fund, you should consider several different factors, including the fund’s investment objective, investment strategies and risks, the investment adviser responsible for the management of the fund’s assets, and the fees and expenses associated with an investment in the fund.

4.8.2. Closed-End Funds: Client Costs and Our Compensation

Closed-End Funds in Brokerage Accounts - Primary Market Trades

Where D.A. Davidson underwrites and distributes newly issued closed-end funds on the primary market through an IPO or similar process, it receives underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 1.75% and 3.00% (expressed as a percentage of the purchase price you pay). A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

Closed-End Funds in Brokerage Accounts – Secondary Market Trades

D.A. Davidson offers a secondary market for closed-end funds. Where D.A. Davidson effects a secondary market trade for you on an agency basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the closed-end funds you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The commission rates we charge for such secondary market closed-end fund trades (as well as secondary market trades of ETFs, ETNs and traded REITs) is the same as the commission rates we charge for equities. Refer to Section 4.2.2 (Equities: Client Costs and Our Compensation). Closed-end fund transactions are also subject to our small trade/discounting policed described in Section 3.3 (Conflicts for Financial Professionals Alone). On occasion, your D.A. Davidson financial professional may agree to a lower (discounted) commission than the commission shown in Section 4.2.2.(Equities: Client Costs and Our Compensation) and as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time.

Closed-End Funds in Brokerage Accounts – Ongoing Fees and Expenses

Closed-end funds offered in your brokerage account have direct costs associated with them that you pay indirectly as an investor. These fees and expenses (often described as the “expense ratio”) will impact investment returns and are fully described in specific investment disclosures provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses.

These ongoing fees and expenses are typically charged as a percentage of your assets. These fees and expenses will impact investment returns and are fully described in the fund prospectus. Expense ratios of various closed-end funds are not standard and can differ significantly. As a general illustration, the average expense ratios of closed-end funds are approximately 1.0%-3.0%, with some being higher or lower.

4.8.3. Closed-End Funds: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to closed-end fund transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to closed-end funds: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Commission Rates; (4) Primary vs, Secondary Market Compensation; (5) Underwriting and Similar Fees; (6) Education and Marketing Support; and (7) Gifts from Sponsors.

4.9. Exchange-Traded Funds (ETFs)

4.9.1. Exchange-Traded Funds (ETFs): Overview

ETFs have characteristics of both mutual funds and closed-end funds. Similar to mutual funds, an ETF pools assets of multiple investors and invests in a portfolio of securities according to its investment objective and investment strategy. ETFs also continuously offer their shares for sale like mutual funds. In addition, ETFs share certain characteristics with closed-end funds, namely that the fund’s shares trade on a secondary market and may trade at prices higher or lower than the fund’s NAV. ETFs do not sell or redeem individual shares. Instead, certain authorized participants have contractual arrangements with the ETF to purchase and redeem ETF shares directly from the ETF in blocks called creation units and redemption units, respectively, where each creation or redemption unit usually represents 50,000 shares of the ETF. After purchasing a creation unit, the authorized participants generally sell the ETF shares in the secondary market. This creation and redemption process for ETF shares is designed to help keep the market price of ETF shares at or close to the net asset value (NAV or value of the fund’s assets over its liabilities).

Because ETFs hold a number of underlying securities (and typically track an index), they are better diversified than investments in individual securities such as stocks and bonds. However, all ETFs carry risks, including loss of your investment principal. The risks associated with a particular ETF will correlate to those of its underlying strategy, investments, and markets.

Each ETF has a prospectus that contains important information to help you make an informed decision about making an investment. You should read the prospectus carefully before investing. In deciding whether to invest in an ETF, you should consider several different factors, including the fund’s investment objective, investment strategies and risks, the investment adviser responsible for the management of the fund’s assets, and the fees and expenses associated with an investment in the fund.

4.9.2. Exchange-Traded Funds (ETFs): Client Costs and Our Compensation

ETFs in Brokerage Accounts – Secondary Market Trades

D.A. Davidson offers a secondary market for ETFs. Where D.A. Davidson effects a secondary market trade for you on an agency basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the ETFs you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The commission rates we charge for such secondary market ETF trades (as well as secondary market trades of closed-end funds, ETNs and traded REITs) is the same as the commission rates we charge for equities. Refer to Section 4.2.2 (Equities: Client Costs and Our Compensation). ETF transactions are also subject to our small trade/discounting policed described in Section 3.3 (Conflicts for Financial Professionals Alone). On occasion, your D.A. Davidson financial professional may agree to a lower (discounted) commission than the commission shown in Section 4.2.2 (Equities: Client Costs and Our Compensation) and as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time.

ETFs in Brokerage Accounts – Ongoing Fees and Expenses
ETFs offered in your brokerage account have direct costs associated with them that you pay indirectly as an investor. These fees and expenses (often described as the "expense ratio") will impact investment returns and are fully described in specific investment disclosures provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses. As noted above, the ongoing fees and expenses can also include fees commonly referred to as recordkeeping, shareholder servicing or distribution fees (such as 12b-1 fees), which can be received by D.A. Davidson on an ongoing basis. A percentage of these fees received by D.A. Davidson are paid to your financial professional, according to their production andour commission grid. ETFs generally have lower annual expenses (expense ratios) than mutual funds because for example, ETFs do not have 12b-1 Fees, and are not usually actively managed.

These ongoing fees and expenses are typically charged as a percentage of your assets. These fees and expenses will impact investment returns and are fully described in the prospectus. Neither D.A. Davidson nor our financial professionals receive any portion of these fees. Expense ratios of various ETFs are not standard and can vary significantly. As a general illustration, the average ETF expense ratio is approximately 0.25% to 0.5%, with some being higher or lower.

4.9.3. Exchange Traded Funds (ETFs): Material Conflicts of Interest
There are conflicts between our interests and those of our brokerage clients relating to ETF transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to ETFs: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Commission Rates; (4) Education and Marketing Support; and (5) Gifts from Sponsors

D.A. Davidson does not sponsor, issue, or manage any ETFs. D.A. Davidson generally does not solicit or recommend leveraged, inverse or leveraged inverse ETFs to our clients.

4.10. Exchange-Traded Notes (ETNs)

4.10.1. Exchange-Traded Noes (ETNs): Overview

Exchange-traded notes ("ETNs") are a type of debt security issued by certain financial institutions. Unlike most bonds and other debt securities, the promised returns on ETNs are not fixed rates of interest. Rather, an ETN's promised rate of return will be linked to the performance of an index or some other market benchmark. When you buy an ETN, the issuer agrees to pay you the value of the index or other benchmark (in other words, your investment amount adjusted by the index/benchmark return), minus any fees, at the ETN's maturity.

ETNs are a type of "unsecured" debt. In other words, the issuer's promise to pay is backed up only by its general credit, not by any specific collateral or assets of the issuer. If the issuer becomes bankrupt or insolvent, investors can potentially lose all of their investment principal. ETNs trade on exchanges, like ETFs. However, unlike ETFs and other funds, ETNs do not own or hold any underlying securities. Likewise, ETNs do not pay regular distributions to investors.

ETNs are intended to allow investors access to markets and indices in which it would be more difficult and more expensive to invest through actual ownership of securities or other assets (i.e., within those markets or indices). Investing in ETNs means that you take on both the risks associated with their target markets and indices and the credit risk (default risk) associated with their issuers, including the potential loss of your investment principal.

Each ETN has a prospectus containing important information to help you make an informed decision about an investment in the ETN. You should read the prospectus carefully before investing. In deciding whether to invest in an ETN, you should consider several different factors, including the associated costs, the underlying index or market benchmark and associated risks, the financial institution issuing the ETN, whether you intend to hold the ETN to maturity (and the likelihood that it will have only a thin trading market), and whether or not it is leveraged (a leveraged ETN will generally be higher-risk).

4.10.2. Exchange-Traded Notes (ETNs): Client Costs and Our Compensation

ETNs in Brokerage Accounts – Secondary Market Trades
D.A. Davidson offers a secondary market for ETNs. Where D.A. Davidson effects a secondary market trade for you on an agency basis (as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the ETNs you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The commission rates we charge for such secondary market ETN trades (as well as secondary market trades of closed-end funds, ETFs, and traded REITs) is the same as the commission rates we charge for equities. Refer to Section 4.2.2 (Equities: Client Costs and Our Compensation). ETN transactions are also subject to our small trade/discounting policed described in Section 3.3 (Conflicts for Financial Professionals Alone). On occasion, your D.A. Davidson financial professional may agree to a lower (discounted) commission than the commission shown here (as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time.

4.10.3. Exchange-Traded Notes (ETNs): Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to ETN transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to ETNs: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Commission Rates; (4) Education and Marketing Support; and (5) Gifts from Sponsors.

D.A. Davidson does not sponsor, issue, or manage any ETNs. Additionally, D.A. Davidson generally does not solicit or recommend leveraged, inverse and leveraged inverse ETNs to our clients, with limited exception.

4.11 Unit Investment Trusts (UITs)

4.11.1. Unit Investment Trusts (UITs): Overview

Unit investment trusts ("UITs") invest in a portfolio of underlying securities (for example, stocks and bonds) for a predetermined period of time or maturity. Investors purchase units (similar to shares) of a UIT portfolio, which represent an ownership interest in the underlying securities contained in the portfolio. The underlying securities held in a UIT are fixed at the time the UIT is created, and do not change during the UIT's term, except where a security held in a UIT portfolio ceases to exist during the UIT's term. Unlike mutual funds, a UIT does not have a Board of Directors or officers, or an investment adviser that manages the UIT's underlying securities during its life.

Upon a UIT's maturity, an investor typically has the following options: (1) receive the proceeds based on the value of the investment; (2) roll the proceeds over into a new UIT; or (3) opt to receive proportionate shares of the securities held in the portfolio (in limited circumstances).

The Firm can offer equity and fixed income UITs. While our Firm offers a number of UITs within different asset classes and strategies, most of the UITs we sell are sponsored by First Trust Portfolios L.P. ("First Trust"). Generally, we do not offer UITs from a broad range of sponsors.

One type of UIT the Firm offers are Buffered UITs (also known as Target Outcome UITs). Buffered UITs are designed to offer capped upside participation and limited downside protection based on the performance of an underlying asset if held till termination. Flexible Exchange Options (FLEX Options) are used to achieve a set principal protection on the downside and capped upside participation based on the performance of the underlying index. Terms of protection and participation will vary, and customers should review the product prospectus for specific terms. These products are meant to be held until termination. If liquidated prior to the termination date the terms of the UIT may not be attained as the options strategy used is only applicable to the options expiration date which coincides with the UIT termination date. Investors should be familiar with options strategies including buying and selling calls and puts.

Each UIT has a prospectus containing important information to help you make an informed decision about an investment in the UIT. You should read the prospectus carefully before investing. In deciding whether to invest in a UIT, you should consider several different factors, including its investment objective, risks, what securities will be placed in the UIT, its maturity, and what fees and expenses will be charged to the UIT's assets.

4.11.2. Unit Investment Trusts (UITs): Client Costs and Our Compensation

UITs in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson distributes newly issued UITs on the primary market through an IPO or similar process, it receives syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as a selling commission/concession and typically ranges between 1% and 3.5% (expressed as a percentage of the purchase price you pay). A percentage of those fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

UITs in Brokerage Accounts Fees and Costs – Sales Charges
As noted in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), you will pay a sales charge when you buy units in a UIT and an additional cost unique to UITs called the creation & development (C&D) fee. A portion of this charge is kept by the UIT's sponsor, and a portion is paid to our Firm. These charges are subtracted from the Net Asset Value ("NAV") of the UIT, meaning they are reflected as reductions to the value of the investor's portfolio within the UIT. These charges do not differ based on the issuer of the UIT, but rather based on the maturity of the UIT that you purchase.

These charges, and the portions of the charges that are paid to D.A. Davidson for selling UITs, are as follows:

Equity UIT Maturity	Charges Deducted from NAV	Portion of Charges Paid to D.A. Davidson
13 Months or 18 Months	1.50 to 1.95% Total	1.25%
20 Months to 24 Months	2.75% Total	2.00%
5 Years	3.95% Total	3.00% - 3.15%

Fixed Income UIT Maturity	Charges Deducted from NAV	Portion of Charges Paid to D.A. Davidson
3 Years to 4 Years	1.95% Total	1.10%
5 Years to 12 Years	1.95% to 2.50% Total	1.10% - 1.60%
13 Years to 30 Years	3.50% Total	2.60% - 3.50%

Selling or redeeming your interests in UITs before their maturity date, followed by the purchase of newly issued UITs, will cause you to incur sales charges with greater frequency.

UITs in Brokerage Accounts - Secondary Market Trades
D.A. Davidson does not offer a secondary market for UITs.

UITs in Brokerage Accounts – Compensation from First Trust
In addition to the charges described above, D.A. Davidson receives additional compensation from First Trust. This additional compensation, which is a type of revenue sharing called a volume concession, is based upon the total volume of the sponsor's UITs that are sold by D.A. Davidson during the preceding 12-month period (subject to minimum total sales volume requirements over the same 12-month period). These volume concessions, if earned by D.A. Davidson, are paid to us monthly. We do not share any volume concessions our Firm receives with our financial professionals. Please refer to the Exhibit attached to this Reg BI Disclosure for more information.

UITs in Brokerage Accounts – Ongoing Expenses
UITs also have direct costs associated with their operations. Operating and organization expenses, such as portfolio supervision, recordkeeping, administrative fees, and trustee fees are deducted from trust assets on an ongoing basis (and thus indirectly paid by you as a UIT investor). UITs typically do not deduct a separate management fee because the UIT's investment portfolio is not actively managed.

These ongoing expenses associated with a particular UIT can vary significantly and can be charged both up-front and annually. These expenses will impact investment returns and are fully described in the prospectus. As a general illustration, the average up-front organizational UIT expenses are approximately 0.175% - 1.25%, with some being higher or lower. The average UIT ongoing expenses are approximately 0.150% - 2.5%, with some being higher or lower.

4.11.3. Unit Investment Trusts (UITs): Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to UIT transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to UITs: Specifically (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Underwriting and Similar Fees; (4) Education and Marketing Support; (5) Gifts from Sponsors; and (6) Revenue Sharing.

Below are additional material conflicts which apply specifically to UIT transactions:

- **Volume-Specific UIT Sponsor Compensation.** As described in Section 4.11.2 (Unit Investment Trusts: Client Costs and Our Compensation), the Firm receives a volume concession from First Trust. Because we receive this commission up-front and each time a UIT is purchased, we have a financial incentive to both recommend the purchase of First Trust UITs frequently and to recommend you sell one UIT prior to termination and buy another UIT. To help manage this conflict, we have systems in place to monitor transactions that might not be consistent with a client's best interests, specifically where UITs are sold before maturity and another UIT is purchased. Additionally, our financial professionals do not receive any compensation that is based directly on the volume concessions from First Trust.

4.12. Real Estate Investment Trusts (REITs)

4.12.1. Real Estate Investment Trusts (REITs): Overview

Publicly traded real estate investment trusts ("REITs") are companies that either own (and often operate) income-producing real estate assets such as office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, and warehouses, or finance these types of real estate assets through secured loans. Unlike other real estate companies, REITs do not develop real estate properties to resell them, but rather buy and develop properties primarily to operate them as part of their own investment portfolio. Qualifying a real estate company as a REIT under the Internal Revenue Code means that the REIT generally incurs no income tax at the corporate level.

As an investment, REITs provide exposure to the investment performance of commercial real estate. The type(s) of underlying real estate holdings vary significantly from REIT to REIT. REITs are intended to be income-producing investments and by law, REITs are generally required to pay out 90% of their taxable income to shareholders as dividends. For this reason, REITs are generally chosen by investors for their regular income payments. Before investing in a REIT, you should understand that REIT dividends are typically taxable to investors as ordinary income; in other words, they are not subject to the reduced tax rates that apply to certain other corporate dividends. You should speak with your tax advisor if you have questions.

All REITs carry risks, including loss of your investment principal. REITs that specialize in a particular type of real estate asset are typically expected to be more volatile than REITs with higher degrees of diversification. However, all REITs are susceptible to losses due to economic factors that adversely affect real estate markets. If you sell REIT shares on the secondary market, the price you receive may be less than you paid. Particularly during periods of rising interest rates, demand for REITs (and thus, REIT prices) tend to fall as investors increasingly seek bond investments instead.

Most of the REITs we offer and recommend to retail clients are publicly traded REITs (which are usually listed for trading on a national securities exchange), and we discuss publicly traded REITs in this section. We also offer a small number of private, non-traded real estate funds that may be REITs, or may own and hold REITs for tax structuring purposes (described under Section 4.13 (Alternative Investments).

Each newly issued REIT has a prospectus that contains important information to help you make an informed decision about an investment in the REIT. You should read the REIT's prospectus carefully before investing. In deciding whether to invest in a REIT, you should consider several different factors, including the investment objective, investment strategies and risks associated with an investment in a particular REIT.

4.12.2. Real Estate Investment Trusts (REITs): Client Costs and Our Compensation

REITs in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson underwrites and distributes newly issued REITs on the primary market through an IPO or similar process, it receives underwriting fees, syndicate fees, selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as an underwriting fee and typically ranges between 1.0% and 7.0% (expressed as a percentage of the purchase price you pay). A percentage of those fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

REITs traded on the primary market are not traded in our retirement accounts.

REITs in Brokerage Accounts – Secondary Market Trades
D.A. Davidson offers a secondary market for REITs. Where D.A. Davidson effects a secondary market trade for you on an agency basis as defined in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings), we will charge your brokerage account a commission that is based upon the amount of the REITs you buy or sell. A percentage of those brokerage commissions are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

The commission rates we charge for such secondary market REIT trades (as well as secondary market trades of closed-end funds, ETNs and ETFs) is the same as the commission rates we charge for equities. Refer to Section 4.2.2 (Equities: Client Costs and Our Compensation). REITs transactions are also subject to our small trade/discounting policed described in Section 3.3 (Conflicts for Financial Professionals Alone). On occasion, your D.A. Davidson financial professional may agree to a lower (discounted) commission than the commission shown here (as described in Section 3.3 (Conflicts for Financial Professionals Alone). Please note that these rates are current as of the effective date of this Reg BI Disclosure, and D.A. Davidson reserves the right to change these rates at any time.

4.12.3. Real Estate Investment Trusts (REITs): Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to REIT transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to REITs: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Commission Rates; (4) Primary vs. Secondary Market Compensation; and (5) Underwriting and Similar Fees.

4.13. Alternative Investment Funds

4.13.1. Alternative Investments: Overview

Alternative investment funds are generally private (not publicly traded) securities that are exempt from registration under federal securities laws and subject to limited regulatory oversight. They are intended to complement other portions of the investment portfolios of certain sophisticated investors and to provide opportunities for additional diversification and overall portfolio risk hedging. Alternative investment funds carry risks, including loss of your investment principal.

The Firm offers the following categories of alternative investment funds to eligible investors:

- **Hedge Funds**: Typically, private (non-registered) funds having investment strategies that are not intended to correlate to the returns of the broader markets, such as long/short equity, event-driven, arbitrage and private credit strategies, as well as multi-strategy hedge funds and hedge funds-of-funds.

- **Private Funds:** Private (often non-registered) funds having investment strategies that are not intended to correlate to the returns of the broader markets.
    - **Real Estate Funds** Private real estate strategies which may be non-traded REITs, qualified opportunity zones, 1031 Exchange Offerings, or real estate limited partnerships. Funds may invest in income producing real estate or real estate investments within their portfolios, but may also pursue leveraged real estate speculation, development, capital gain deferral, and/or other strategies.
    - **Private Credit:** Broadly speaking, private credit or private debt (used interchangeably) typically refer to debt investments that are not financed by banks and are not issued or traded on an exchange. Borrowers may seek private credit through non-bank lenders for flexible structures, confidentiality, speed and certainty, credit worthiness, or value-add lenders. In exchange for the illiquid nature of private credit funds, investors seek higher yield than traditional fixed income investments. Private Credit strategies include direct lending, distressed and special situations, structured debt, and specialty finance.
    - **Private Equity:** Private equity describes investment partnerships that buy and manage or restructure companies before selling them. They typically do not hold stakes in companies listed on a stock exchange. Common strategies include buyouts, venture capital, growth equity, secondaries, and distressed. Investors are usually limited partners and may receive returns above public markets based on the general partner's ability to transform business, increase value, and exit investments at a profit.
    - **Interval Funds:** A category of closed-end funds that enable investors to own a basket of securities with one single purchase and usually offer their shares for purchase continuously, like mutual funds. They are not usually traded on the secondary markets. Interval funds only allow investors to redeem their shares at certain pre-established intervals – for example, once per calendar quarter. Typically, the portion of an interval fund's outstanding shares that are available for redemption at each interval is limited to between 5% and 25%. While the redemption price for interval fund shares is based on its NAV, it is permissible for an interval fund to impose a redemption fee of up to 2%. Interval funds are registered under the Investment Company Act of 1940 and subject to SEC regulation.

To avoid registration and application of certain federal securities laws, alternative investment funds often must limit eligible investors to those who fall within one or more of the following categories (who are presumed to have the necessary financial sophistication and resources to accept greater risks, and to be less in need of certain legal protections that attach to most investment funds):

- **Accredited Investors** – for individual investors, this status generally requires that you either have (1) net worth over $1 million alone or with your spouse/spousal equivalent (excluding the value of your primary residence) or (2) earned income exceeding $200,000 (or $300,000 together with your spouse/spousal equivalent) in each of the two prior years, and reasonably expect the same in the current year.
- **Qualified Clients** – for individual investors, this status (which is required in order for the fund's adviser (asset manager) to receive certain performance-based compensation) generally requires that you either have (1) at least $1.1 million under the management of the specific adviser or (2) net worth of at least $2.2 million alone or with your spouse (excluding the value of your primary residence).
- **Qualified Purchasers** – for individual investors, this status generally requires that you own at least $5 million in certain investments.

Each alternative investment fund has a prospectus or offering memorandum containing important information to help you make an informed decision about an investment in the fund. You should read the fund's prospectus or offering memorandum carefully before investing. In deciding whether to invest in an alternative investment fund, you should consider several different factors, including the alternative investment fund's past performance, investment objective, investment strategies and risks, the investment adviser or portfolio manager responsible for the management of the alternative investment fund's assets, and the fees and expenses associated with an investment in the particular alternative investment fund. While past performance of an alternative investment fund is not indicative of future results, an alternative investment fund's long-term performance record and portfolio manager's experience and qualifications are appropriate factors to consider.

Your D.A. Davidson financial professional can help you determine whether or not you are eligible to invest in certain alternative investment funds we offer, and whether or not such an investment would be an appropriate complement to the more traditional investments in your portfolio.

4.13.2. Alternative Investment Funds: Client Costs and Our Compensation

Alternative Investment Funds in Brokerage Accounts Fees and Costs – Sales Charges
As noted in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings) you will often pay a sales charge when you buy shares in an alternative investment fund. These costs may include transaction fees, such as front-end or contingent deferred sales charges (often referred to as "loads"), paid directly by you as a fund investor.

We receive a portion of the alternative investment fund's sales charges to compensate us for our efforts, and the efforts of our financial professionals, in selling shares of the alternative investment fund. The amount of the sales charges we receive from your investment depends on the specific circumstances, such as the specific fund and amount of investment you choose.

The most common types of alternative investment fund sales charges are either a front-end sales charge or a placement fee (typically not both), which are as follows:

- **Front-end sales charges.** A sales charge is deducted from an alternative investment fund at the time of purchase (front-end) and is calculated as a percentage of the total purchase. Typical schedules of front-end sales charges provide for charges of up to 5.75%. Most of the front-end sales charges deducted from an alternative investment funds are paid as a commission to the broker who made the sale, such as D.A. Davidson. A percentage of those fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid as described in Section 3.3 (Conflicts for Financial Professionals Alone). Some specialized products, like 1031 Exchange Offerings, may have higher sales charges up to 6.5%.

- **Placement fee.** A placement fee can be deducted from an alternative investment fund investment at the time of purchase. This fee is calculated as a percentage of the total investment purchase. Typical placement fees can be up to 1.25%.

Alternative Investment Funds in Brokerage Accounts – Ongoing Fees and Expenses

Alternative investment funds which charge a placement fee typically also have direct costs associated with them that you pay indirectly as an investor. These fees and expenses (often described as the "expense ratio") will impact investment returns and are fully described in specific investment disclosures provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses. As noted previously, the ongoing fees and expenses can also include fees commonly referred to as recordkeeping, shareholder servicing or distribution fees (such as 12b-1 fees), which can be received by D.A. Davidson on an ongoing basis. A percentage of these fees received by D.A. Davidson are paid to your financial professional, according to their production andour commission grid.

On an up-front and ongoing basis, the fees and costs associated with alternative investment funds are often higher than many other types of investment funds. For example, while the fees payable to the fund's adviser (asset manager) or general partner vary significantly from fund-to-fund, a typical hedge fund might impose a 2.0% annual investment management fee in addition to a performance fee equal to 20% of net appreciation (sometimes referred to as a "2 and 20" fee structure).

In addition to management fees and other expenses, the asset manager or general partner of a private markets/real estate fund may be entitled to retain a portion of the fund's profits, sometimes referred to as a carried interest.

Alternative Investment Funds in Brokerage Accounts – Secondary Market Trades

D.A. Davidson does not offer a secondary market for alternative investment funds.

4.13.3. Alternative Investment Funds: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to alternative investment fund transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to alternative investment funds: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Underwriting and Similar Fees; (4) Education and Marketing Support; (5) Gifts from Sponsors; and (4) Proprietary Products.

Below are additional material conflicts which apply specifically to alternative investment fund transactions:

- **Differential Compensation Within Alternative Investments and Across Other Products.** Compensation to our Firm and financial professionals is generally higher for alternative investment products than other products. To help manage the financial incentive that our financial professionals have to recommend a hedge fund, private markets/real estate fund, or interval fund to you over other investments, we implemented level compensation on our platform so that most funds typically pay a sales commission of up to 5.75% or a placement fee of 1.25% of the amount of your investment and a trailing commission of up to 0.75% for each year you stay in the fund. Some specialized products that require specific eligibility requirements, like 1031 Exchange Offerings, may have higher compensation structures and pay commissions of up to 6.5%. Because of the potential for higher compensation to our financial professionals, we have a heightened supervisory process for reviewing sales of alternative investments.

4.14. Annuities and Life Insurance

4.14.1. Annuities and Life Insurance: Overview

Annuities. When you purchase annuities, you sign a contract with an insurance company to make a single or multiple payments in exchange for an option for future periodic payments to be made to you. In some cases, your payments might begin immediately, but the majority of annuities that we offer are "deferred," meaning the payment stream begins later. All annuities are tax-deferred vehicles. This means you will pay no federal taxes on the investment gains on the funds you invest in your annuity until you make a withdrawal, receive income payments, or a death benefit is paid. When you withdraw your funds, you will pay tax on the gains at ordinary federal income tax rates rather than lower capital gains rates. When you start taking income payments, you can select payment options that will guarantee you payments for as long as you live.

We offer the following types of annuities:

- **Fixed annuities.** You make premium payments that appreciate at a minimum specified rate of interest in exchange for an option for future specified periodic payment that continues over a specified period of time (for example, 20 years), or in other cases may continue for your life, or the joint lives of you and your spouse. The amount of the future specified payments does not depend on the performance of investments or an investment index.
- **Indexed annuities.** You make premium payments that appreciate based on the performance of an investment index (often an equity index, such as the S&P 500), typically subject to a minimum interest rate of zero and in some cases subject to a stated maximum (regardless of index performance). In exchange, you have the option for a future specified periodic payment that continues over a specified period of time (for example, 20 years), or in other cases may continue for your life, or the joint lives of you and your spouse. Indexed annuities are more complicated than fixed annuities, and it is possible to lose money within an indexed annuity (i.e., if the insurance company does not experience financial distress).
- **Variable annuities (including Registered Index-Linked Annuities).** You make premium payments that appreciate based on the performance of the product's underlying investment options – typically sub-accounts that are similar to mutual funds – that you select in exchange for an option for future specified periodic payments that continue over a specified period of

time (for example, 20 years), or in other cases may continue for your life, or the joint lives of you and your spouse. The value of your investment, usually referred to as your cash value, will fluctuate as the values of the underlying investments increase or decrease.

Variable annuities are complex products. You can lose money in a variable annuity (including, potentially, your investment principal, if the underlying separate account investment options perform poorly), and you will also indirectly pay management and other fees for the investment options you select.

Registered Index-Linked Annuities are a type of variable annuity. You make premium payments that appreciate based on the performance of a market index, (often an equity index, such as the S&P 500) offering the opportunity to capture positive index returns up to a limit, while providing a level of downside protection ("buffer" or “floor”) if the index return is negative. However, you're not directly invested in either an index or the market. In exchange, you have the option for future specified periodic payment that continues over a specified period of time (for example, 20 years), or in other cases may continue for your life, or the joint lives of you and your spouse.

Many annuities come with optional “riders.” A rider is essentially an add-on or enhancement that you can include when purchasing an annuity that offers extra features or benefits. Riders are available at an additional cost and allow you to tailor your annuity contract to help protect what is important to you. Examples of riders include, but are not limited to, lifetime income benefit, death benefit, cost of living and long-term care. A long-term care rider differs from other riders in that to accelerate a long-term care rider and begin receiving benefits from the annuity, you generally have to meet medical qualification standards that necessitate long-term care (e.g., that might mean being diagnosed with a chronic or terminal illness, degenerative disease or severe cognitive impairment that requires round-the-clock care, either in-home or in a nursing facility).

Life Insurance. When you purchase life insurance you sign a contract with an insurance company to pay certain benefits upon your death.

We offer the following types of life insurance:

- **Term Life.** Term life insurance provides a death benefit for a specified period of time or term, generally ranging from 1-30 years. The premium may be level or varied. Optional riders may increase benefits and thus costs. There may be conversion privileges that allow the policy owner the right to convert to permanent insurance.
- **Whole Life.** Whole life insurance policies have a cash value that may be withdrawn (or borrowed against) during your life if you wish. The cash value of a whole life insurance policy is based on the issuing insurance company’s declared dividend rate which can change over the life of the policy. The cash value of a variable whole life policy is adjusted based upon the actual performance of separate account investment options that are offered under the insurance contract, and which you choose from, similar to a variable annuity. Whole life insurance may be considered a complex product for which you can lose money, and they should be considered very carefully.
- **Universal Life (including Indexed Universal Life and Variable Universal Life).** Universal life insurance policies have a cash value that can be withdrawn (or borrowed against) during your life if you wish. The cash value of a universal life insurance policy is based on the performance of the issuing insurance company’s general account which can change over the life of the policy. The cash value of an indexed universal life policy is adjusted at a rate that is based upon an investment index, similar to an indexed annuity. The cash value of a variable universal life policy is adjusted based upon the actual performance of separate account investment options that are offered under the insurance contract, and which you choose from, similar to a variable annuity. These latter two types of universal life insurance are complex products for which you can lose money, and they should be considered very carefully.

Annuities and life insurance products are not short-term savings vehicles. Withdrawing funds or surrendering an annuity or life insurance product in the short term after purchase will likely trigger surrender fees and charges and may also trigger tax penalties. You can lose the money you invest in certain types of annuities and life insurance products, including potential loss of your initial investment, due to poor performance of the investment options you select and/or the cumulative impact of fees and charges on your cash value.

An important aspect of investing in annuities and life insurance products is to read and understand the product’s prospectus carefully. Each product prospectus contains information about the features, benefits, risks, fees and costs associated with an annuity or life insurance product. In addition to the prospectus, your financial professional will provide you with a ‘Suitability’ Form document explaining any annuity or life insurance product recommendations.

More information about annuities and life insurance, which we also encourage you to read, is available on the following educational websites:

- U.S. Securities and Exchange Commission (sec.gov)
- Financial Industry Regulatory Authority (finra.org)
- National Association of Insurance Commissioners (naic.org)

4.14.2. Annuities and Life Insurance: Client Costs and Our Compensation

Annuities - Commissions

The Firm receives commissions from insurers for our sales efforts, and for assisting you with the insurance application and the delivery processes related to the purchase of an annuity. A percentage of the commissions received are paid by D.A. Davidson to your financial professional, according to their production and our commission grid. While you do not pay the commission directly, the insurer factors this commission into the product’s fees and costs. In this way, you indirectly pay the commission. You will not receive a trade confirmation setting forth the commissions we receive for selling annuities to you.

- **Fixed annuities.** The commissions D.A. Davidson receives for selling fixed annuities (as a percentage of premium payments) range from 0.5% to 5% depending on contract period. However, the sales commission for a long-term care fixed annuity ranges from 4% to 8%, or alternatively between 1% and 4.00% (of premiums paid) and a “trailing” commission of up to 1.0% for each year you stay in the annuity, depending on the features of the particular annuity.

- **Indexed annuities.** The commissions D.A. Davidson receives for selling indexed annuities (as a percentage of premium payments) range from 2.50% to 5.25% depending on contract period or alternatively between 0.75% and 3.70% (of premiums paid) and a “trailing” commission of up to 1.0% for each year you stay in the indexed annuity.
- **Variable annuities.** The commissions D.A. Davidson receives for selling variable annuities (as a percentage of premium payments) range from 5.25% and 5.5% (of premiums paid) or alternatively between 1.0% and 2.0% (of premiums paid) and a “trailing” commission of up to 1.0% for each year you remain in the variable annuity. However, because registered indexed-linked variable annuities are priced differently, the commission we receive usually ranges from 3.0% to 5.5% of total premiums or alternatively between 1.0% and 2.0% (of premiums paid) and a “trailing” commission of up to 1.0% for each year you remain in the index linked variable annuity.

Life Insurance - Commissions

In most cases, the commissions D.A. Davidson receives for selling insurance policies (expressed as a percentage of first-year premium payments only) range from 80% to 90% but could be between 10% and 100% in some cases. However, because universal life policies with linked long-term care benefits are priced differently, the commission we receive for those policies usually ranges from 4.0% to 90.0% of total premiums. Compensation options and ranges for life insurance products may also vary based on the client’s age. A percentage of the commissions received are paid by D.A. Davidson to your financial professional, according to their production and our commission grid. While you do not pay the commission directly, the insurer factors this commission into the product’s fees and costs. In this way, you indirectly pay the commission. You will not receive a trade confirmation setting forth the commissions we receive for selling life insurance to you.

Annuities and Life Insurance – Fees and Expenses

The most common types of annuity and life insurance fees and expenses are:

- **Premium Payment Deductions.** For some annuities and life insurance products, the insurance company deducts a fee from your premium payment, meaning that only the “net” premium amount is invested or allocated. In the case of variable annuities, the fee deduction is usually to cover a state insurance premium tax. For variable life insurance, the fee deduction can also cover the insurer’s sales expenses.
- **Minimum Requirement on Initial Premium:** Most insurance companies impose a minimum requirement on the initial premium. In the case of variable life insurance, you will likely be required to make premium payments periodically to keep the policy in force. While you may have some flexibility in the amount or timing of these periodic premium payments, you should consider whether you can afford to continue making premium payments when deciding to purchase a variable life insurance policy. If you fail to make sufficient payments to keep the policy in force, the policy will lapse (that is, terminate without value) and you will no longer have any death benefit protection.
- **Cost of Additional Riders.** Generally, the cost of optional riders for annuities will be between 0.15% and 2.3%, but you should review the product’s prospectus carefully to understand the specifics. There is an underwriting (or medical testing) requirement, similar to life-insurance in order to determine the cost of the annuity and long-term care rider.
- **Surrender and Withdrawal Charges.** Most annuities and insurance products impose a surrender charge if you surrender your product or make a withdrawal of your cash value during the surrender charge period. This surrender charge and the surrender period are described in the product prospectus. Surrender charge periods vary by product but are generally around five to seven years for annuities, even though they sometimes range up to 15 years on some life insurance policies.

  The surrender charges also vary by product, and generally begin around 7.0% of the purchase payment in year one and end around 1.0% of the cash value in the final year of the surrender charge period. Typically, the surrender charges decrease over the duration of the surrender charge period, with the higher surrender charges applying to surrenders and withdrawals made at the beginning of the surrender charge period, and the lower surrender charges applying to surrenders and withdrawals made toward the end of the surrender charge period. Tax penalties can also apply to surrenders or withdrawals made before age 59½.

Annuities and Life Insurance – Compensation from Transamerica

In addition to the charges described above, D.A. Davidson receives additional compensation from Transamerica. This additional compensation, which is a type of revenue sharing called a volume concession, is based upon the total volume of the sponsor’s annuities and life insurance products that are sold by D.A. Davidson during the preceding 12-month period (subject to minimum total sales volume requirements over the same 12-month period). These volume concessions, if earned by D.A. Davidson, are paid to us quarterly. We do not share any volume concessions our Firm receives with our financial professionals. Please refer to the Exhibit attached to this Reg BI Disclosure for more information.

Annuities and Life Insurance – Ongoing Expenses

Insurance companies deduct fees and expenses from your cash value to cover fees and expenses. These ongoing fees and expenses commonly include mortality and expense (M&E) risk fees, cost of insurance fees (assessed under variable life insurance policies), administration fees, transaction fees, and fees associated with certain optional riders. The M&E risk fees are calculated as a percentage of your insurance coverage or account value and are described as an annualized rate charged against assets – in many cases, they range from between 0.5% and 1.5%.

However, some other fees, such as administration or transaction fees, are fixed amount fees charged annually or when specific transactions occur and are deducted from your cash value. The cost of insurance fees charged on life insurance is typically calculated by applying a rate based on your underwriting classification to the “net amount at risk” (the difference between your product’s death benefit and its cash value). These fees usually are deducted from your cash value on an ongoing basis. If you add riders to your annuity or life insurance policy, the fees for those riders will be deducted from your cash value.

In addition, annuities and life insurance products have direct costs associated with the underlying investment options (also known as “sub-accounts”) in which you invest that you pay indirectly as an investor. These fees and expenses (often described as the “expense ratio”) will impact investment returns and are fully described in specific investment disclosures provided to you upon purchase. These expenses are typically used to pay continued annual operating expenses of the investment such as management expenses, accounting expenses, audit expenses, servicing expenses, distribution expenses, legal expenses, and recordkeeping expenses. As noted above, the ongoing fees and expenses can also include fees commonly referred to as recordkeeping, shareholder servicing or distribution fees (such as 12b-1 fees), which can be received by D.A. Davidson on an ongoing basis. A percentage of these fees received by D.A. Davidson are paid to your financial professional, according to their production and our commission grid. Including all of the above fees, the total expense ratios (in other words, the annual operating expenses expressed as a percentage) of the investment options range in most cases from 0.6% to 3.0%.

4.14.3. Annuities and Life Insurance: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to annuities and life insurance product transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to annuities and life insurance products: (1) Volume and Size of Trades; (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Share Classes; (4) Education and Marketing Support; (5) Gifts from Sponsors; (6) Revenue Sharing; and (7) Recordkeeping/Shareholder Servicing/Distribution Fees.

Below are additional material conflicts which apply specifically to annuities and life insurance transactions:

- **Differential Compensation Across Annuities and Life Insurance Products.** Compensation to our Firm and financial professionals can differ across annuities and life insurance products. To help manage the financial incentive that our financial professionals could have to recommend one insurer’s products over others, within our distribution (sales) arrangements, the differences in commission rates (with respect to specific product types and contract periods) are limited from insurer to insurer. For variable annuities in particular, to help mitigate any conflict our commission rates are usually 5.25%, and never exceed 5.50% (a difference of 0.25%). We also have a supervisory process for reviewing sales of variable annuities and variable universal life and any included annuity benefits, or insurance coverage, services and riders recommended to you. The process also requires our financial professionals to evaluate variable annuities using an analytical tool that compares them based on varying criteria.
- **Volume-Specific Sponsor Compensation.** As described in section 4.14.2., the Firm receives a volume concession from Transamerica. Because we receive this commission up-front and each time an annuity or life insurance product is purchased, we have a financial incentive to recommend purchases of Transamerica annuities and life insurance products frequently. To help manage this conflict, we have systems in place to monitor transactions that might not be consistent with a client’s best interests. Additionally, our financial professionals do not receive any compensation that is based directly on the volume concessions for Transamerica.
- **Election of Additional Optional Riders.** As described in section 4.14.2., both the Firm and its financial professionals receive higher commissions when you elect additional optional riders and other features that increase premiums. To help manage this conflict, we have systems in place to monitor transactions that might not be consistent with a client’s best interests.
- **Higher Compensation than Other Products.** Both the Firm and its financial professionals receive higher compensation when you purchase annuities or life insurance products than any other product. To help manage this conflict, we have systems in place to monitor transactions that might not be consistent with a client’s best interests.

4.15. Structured Products

4.15.1. Structured Products: Overview

Structured products are financial instruments that generally pair a certificate of deposit (“CD”) or unsecured corporate bond with a derivative (typically an option) to create structured CDs and structured notes, respectively. Structured products are designed to provide investors with access to a particular outcome based on the performance of underlying assets. Structured products can also provide the potential to mitigate certain risks relative to a direct investment in the underlying asset.

Structured products often have complex features, including contingent coupons, embedded call options, and variable payoff profiles, which can vary substantially. These differences allow investors to select structured products appropriate to their specific investment objective and risk profile. Structured products may not be suitable for all investors and carry risks, including loss of your investment principal.

Each structured product has a prospectus containing important information to help you make an informed decision about an investment in the product. You should read the product’s prospectus or term sheet carefully before investing. In deciding whether to invest in a structured product, you should consider several different factors, including the product’s investment objective, investment strategies and risks, and the fees and expenses associated with an investment in the structured product.

4.15.2. Structured Products: Client Cost and Our Compensation

Structured Products in Brokerage Accounts - Primary Market Trades
Where D.A. Davidson distributes newly issued structured products on the primary market through an IPO or similar process, it receives selling commissions/concessions and/or other similar fees as described in Section 2.3.2 (Summary of Commissions and Commission-Equivalent Charges You Pay to Our Firm for Certain Transactions and Holdings). The compensation D.A. Davidson receives is usually paid to the Firm as selling commissions/concessions and typically ranges between 2.0% and 3.5% (expressed as a percentage of the purchase price you pay). A percentage of those fees are paid by D.A. Davidson to your financial professional, according to their production and our commission grid (as described in Section 3.3 (Conflicts for Financial Professionals Alone).

Structured Products in Brokerage Accounts - Secondary Market Trades
D.A. Davidson does not offer a secondary market for structured products.

4.15.3. Structured Products: Material Conflicts of Interest

There are conflicts between our interests and those of our brokerage clients relating to structured product transactions. For information on material conflicts of interest, refer to Section 3 (Material Conflicts of Interest). The following conflicts of interest described in Section 3 specifically apply to structured products: (1) Volume and Size of Trades; and (2) Differential Compensation Across Product/Investment Types and Within Product/investment Types; (3) Underwriting and Similar Fees; (4) Education and Marketing Support; and (5) Gifts from Sponsors.

D.A. Davidson is not affiliated with any bank for the structured CDs we recommend and sell to clients.

5. Additional Information

This Reg BI Disclosure reflects information that is complete and current as of the effective date on its cover. If we make changes that would require us to send you updated disclosures, we will send them to you by mail or electronically consistent with your elections and the SEC's requirements. We will amend this document from time to time and you will be bound by the amended disclosures if you continue to accept our services after we deliver the amended disclosures to you.

You may request up-to-date information by speaking with your financial professional or viewing our disclosure documents online at dadavidson.com/Disclosures.

D.A. Davidson & Co. (our "Firm")
Exhibit to Regulation Best Interest Disclosure
(Effective March 29, 2024)

1. **The following investment and insurance product sponsors provided our Firm with payments and reimbursements in support of our financial professional education efforts and marketing efforts between March 29, 2023 and March 29, 2024 (as described under Section 2.3.3 of the Regulation Best Interest Disclosure): ***

   - **Mutual Funds, ETFs and ETNs:**, Alta Capital Management, Avantis Investors, American Century, Baron Funds, Beacon Capital, BlackRock, Brown Advisory, Capital Group American Funds, Columbia Threadneedle Investments, Confluence Investment Management, CUNA, Eaton Vance, First Trust, FPA Funds, Franklin Templeton Investments, Genter Capital Management, Hartford Funds, John Hancock Investment Management, J.P. Morgan Asset Management, Janus Henderson, Lord Abbett, Manning & Napier, Marshfield Associates, MFS Investment Management, PIMCO, Polen Capital Management, Principal Finance Group, Prudential Financial, Russell Investments, Sterling Capital Management, Thornburg Investment Management, Transamerica, Victory Capital Management, Virtus Investment Partners, WestEnd Advisors, Yorktown Funds
   - **UITs:** First Trust Portfolios, L.P.
   - **Variable products and other insurance products:** Jackson National, Lincoln Financial Group, OneAmerica Financial, Principal Financial Group, Prudential Financial, Standard Insurance Company, Transamerica
   - **Closed-End Funds**: Cohen & Steers, PIMCO
   - **Alternative Investments**: CAIS

** Typically, the payments and reimbursements our Firm receives in support of our education and marketing efforts are not directly tied to specific product sales or business volume. Investment and insurance product sponsors will change from time to time. These payments and reimbursements are not usually determined by formula and can differ significantly over time. In the majority of cases, we expect to receive less than $100,000 of such payments and reimbursements from any single organization during any given fiscal year.*

2. **The following investment product sponsors provide our Firm with revenue sharing** payments between March 29,2023 and March 29, 2024 (as described under Section 2.3.3 of the Regulation Best Interest Disclosure) (other than payments in support of our education and marketing efforts, as described above):**

   - **UITs (volume concessions):** First Trust Portfolios, L.P.
   - **Annuities and Life Insurance:** Transamerica

*** As a Firm we also receive interest payments from all of the third-party banks who participate in our cash management program. This is described in greater detail in the Cash Management Program Disclosure Statement that has been furnished to you. You may request a current copy from your financial professional.*

3. **Our Firm offers the following proprietary products*** to retail clients between March 29, 2023 and March 29, 2024 (as described under Section 3.2 of the Regulation Best Interest Disclosure):**

   - **Mutual Funds:** Davidson Multi-Cap Equity Fund, which is managed by Davidson Investment Advisors, Inc. ("DIA")
   - **Alternative Investment Funds:** Concordant Partners, LLC (d/b/a The Concordant Fund), which is a hedge fund managed by financial professionals of D.A. Davidson & Co.

****Please note also that San Pasqual Financial Holding Corporation ("San Pasqual") is a privately held corporation which owns a California state-chartered financial institution and trust company and a Nevada state-chartered trust company. Certain D.A. Davidson officers, in their personal capacity, own a minority interest in San Pasqual (the "Davidson Owners"). San Pasqual provides trust administration services but does not manage trust assets. Instead, the company oversees investment managers managing such assets for and on behalf of their clients. San Pasqual also acts as trustee for certain accounts for which D.A. Davidson provides brokerage or investment advisory services. Financial professionals may refer clients to San Pasqual for trust services, and San Pasqual may allow the financial professionals to continue to manage the client's assets held with D.A. Davidson, but San Pasqual is under no obligation to do so. As a trustee, San Pasqual is also authorized to hire a financial professional to manage a trust's investment assets. The Davidson Owners and D.A. Davidson could benefit indirectly from referrals by each organization to the other, through the fees retained by the firm to whom the client is referred.*

Appendix I - Form CRS

D.A. Davidson & Co. Form CRS: Client Relationship Summary

February 12, 2025

D|A DAVIDSON
D.A. Davidson & Co. member SIPC

Introduction

D.A. Davidson & Co. ("D.A. Davidson," "we," "us," or our "Firm") is registered with the Securities and Exchange Commission as both a broker-dealer and an investment adviser. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences.

Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationships and Services

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer both brokerage services and investment advisory services to retail investors. In conjunction with these services, we can recommend that you open or contribute assets to a brokerage or advisory account with our Firm. We can also educate you about consolidating your assets (through rollover or transfer) into a brokerage or advisory account with our Firm or recommend that you rollover from an employer-sponsored plan to an individual retirement account ("IRA") with our Firm.

Brokerage Services

Our principal (primary) brokerage services are making recommendations about buying, selling, and holding securities, and facilitating the buying and selling of securities on your behalf. We can also provide you with research, financial education, and custody of assets. Although our brokerage services do not include monitoring investments in your brokerage account, we may voluntarily review those investments periodically to determine whether to provide you with additional recommendations.

If you select our brokerage services, you make the decisions regarding buying, selling, and holding securities for your account. Brokerage accounts include both taxable and retirement accounts, including IRAs and qualified accounts such as employer-sponsored plans, SEP IRAs, SIMPLE IRAs, Keogh plans, Coverdell educational savings accounts, and other similar accounts (collectively, "retirement accounts").

The investments we offer include stocks (equities), bonds, mutual funds, unit investment trusts (UITs), exchange-traded funds (ETFs), exchange-traded notes (ETNs), certificates of deposit (CDs), options, 529 Plans, publicly traded real estate investment trusts (REITs), closed-end funds, and a limited menu of complex products, including structured products, buffered investments and alternative investment funds (such as hedge funds, private markets (real estate funds, private credit, private equity and interval funds)), annuities (fixed, variable, and indexed), and other insurance products.

The investments we make available and recommend are not limited to a narrow menu of products or types of investments, and are not limited to proprietary products, but our financial professionals can limit their recommendations based on their experience and familiarity with different investments.

We do not impose minimum account size or minimum investment requirements for brokerage services.

Investment Advisory Services

Our principal (primary) investment advisory services include wrap fee programs, financial planning, Davidson Private Wealth Services, and advice to plan sponsors about employer-sponsored retirement plans (such as 401(k)) ("retirement plan services"). If you choose our wrap fee programs, we act as your investment adviser, and we also provide brokerage services (such as trade execution and custody) for a single "wrap" fee. For clients in our wrap fee programs, we monitor the investments in the account at least annually as part of our standard services. Financial planning does not include monitoring. For Davidson Private Wealth Services, we monitor your financial plan periodically. For retirement plan services, we monitor pursuant to the terms of the agreement with the plan fiduciary. Advisory accounts include both taxable accounts and retirement accounts.

Our wrap fee programs and retirement plan services provided pursuant to Employee Retirement Income Security Act ("ERISA") Rule 3(38) are "discretionary" with regard to buying, selling, and holding investments. "Discretionary" means you authorize us or a third-party investment manager or sub-manager (depending on the specific wrap fee program) in writing to make all of the investment decisions in your account. This authorization will remain in place until you terminate your participation in the wrap fee program.

Davidson Private Wealth Services, financial planning services, and retirement plan services provided pursuant to ERISA Rule 3(21), are "non-discretionary." This means we provide advice but you, or the plan fiduciary for retirement plan services, make the decisions about buying, selling, and holding investments, or the implementation of financial planning strategies.

We generally provide investment advisory services for the same types of investments we offer in brokerage accounts subject to certain program requirements. We offer self-directed brokerage and advisory accounts to retirement plan services participants when permitted by their plan's rules. Our financial professionals can make recommendations based on their experience and familiarity with different investments. We do not limit investments to a narrow menu of products or types, or to just proprietary products, but not all investments we offer can be utilized in all wrap fee programs. Within each of our discretionary wrap fee programs, the program's strategy and design, and the investment manager's philosophy, will determine the investments used.

Our wrap fee programs, and certain retirement plan services, impose minimum account size requirements. Financial planning, Davidson Private Wealth Services, and certain other retirement plan services do not impose minimum account or minimum investment requirements.

For additional information, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A: Firm Brochure, and the Form ADV Part 2A: Wrap Fee Program Brochure.

Ask your Financial Professional

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Fees, Costs, Conflicts and Standard of Conduct

WHAT FEES WILL I PAY?

There are important differences in fees and costs associated with brokerage services and investment advisory services. *You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

Brokerage Services – Principal Fee and Costs

The primary fees and costs you will incur are transaction-based fees, such as commissions. Depending on your investments, we will charge brokerage commissions or similar fees to your account (hereinafter referred to as "brokerage commissions"), or we will receive sales commissions and/or sales concessions or similar fees (hereinafter referred to as "sales commissions") from the investments you buy.

We charge you a brokerage commission each time you instruct us to buy or sell investment products we offer on the secondary market in your brokerage account, such as equities, ETFs, ETNs, closed-end funds, publicly traded REITs, or options.

When you buy or sell certain other investments, including bonds, structured products, and CDs, we typically charge your account a "mark-up" or "mark-down" adjustment from the market price, meaning we keep the difference as our fee. Mark-ups and mark-downs are also charged on "principal" trades for various security types (including equities), meaning where you buy investments from us, or sell investments to us, rather than a third party.

Where we distribute/sell newly issued shares of individual equities, bonds, mutual funds, UITs, closed-end funds, structured products, and alternative investment funds, instead of brokerage commissions we receive sales commissions from the underwriter, the funds, or their sponsors. For some, we only receive up-front sales commissions. For others, we also receive ongoing payments such as "trailing" commissions as long as you hold them. Insurance companies also pay us sales commissions and trailing commissions for selling annuities and other insurance products.

D.A. Davidson generally shares the brokerage commissions, mark-ups and mark-downs, and sales commissions we receive with our financial professionals. However, D.A. Davidson also receives certain other types of compensation that we do not share with our financial professionals. For example, we do not pay our financial professionals any portion of the compensation we receive from the third-party banks that participate in our cash management program, which is available to you if you choose an account with our Firm.

Some investment product sponsors contribute to or reimburse D.A. Davidson for the cost of educational and marketing events for our clients and financial professionals. Subject to approval by our Firm, others pay for travel, meals, entertainment and attendance at conferences, training events, and due diligence trips for our financial professionals, but these payments are not made to our financial professionals directly.

The payments summarized above create incentives for us to recommend that you trade often, make large trades, and invest in specific products in your brokerage account, for which we receive more compensation and other benefits.

Investment Advisory Services – Principal Fees and Costs

For our wrap fee programs, we generally charge a fee equal to a percentage of your advisory account assets with us ("asset-based wrap fee"), rather than commissions and other transaction-based fees. Our asset-based wrap fees are usually charged quarterly in advance as long as we continue providing you with advisory services. Because our fees are based on a percentage of your advisory account assets, we have an incentive to recommend that you increase your advisory account assets with us. Our financial planning services are provided at no additional cost to clients with an advisory or brokerage account. Otherwise, we charge you a distinct one-time fee. Our Davidson Private Wealth Services are provided at no additional cost. Our retirement plan services are provided to plan sponsors at a rate negotiated between us and the plan sponsor. We also earn compensation when plan participants open a brokerage account or advisory account with us through their employer-sponsored retirement plan in accordance with the fees related to the specific account type.

Within each of our wrap fee programs, the asset-based wrap fee pays for all investment management and other advisory services (whether provided by us or third-party investment manager or sub-manager), and most transaction and custody fees. Because the asset-based wrap fees associated with our wrap fee programs include most transaction costs and custody fees, they are typically higher than asset-based wrap fees that do not include those additional services. As a Firm, we have a conflict of interest when we recommend or select investment managers for our wrap fee programs that are part of or affiliated with our firm, as this allows us and our affiliated businesses to keep a larger share of the asset-based wrap fees.

D.A. Davidson generally shares the asset-based wrap fees we receive with our financial professionals. However, in connection with our advisory services, as a Firm we receive certain other types of compensation that we do not share with our financial professionals. For example, we do not pay our financial professionals any portion of the fees we receive from mutual funds for providing certain distribution services to the funds. We also do not pay our financial professionals any portion of the compensation we receive from third-party banks that participate in our cash management program.

Other Fees and Costs

For both brokerage services and investment advisory services (other than financial planning, Davidson Private Wealth Services, and retirement plan services), you will pay some additional charges. Examples include management, distribution, and administrative fees charged by investment funds, fees charged within annuities and other insurance products, handling fees, wire transfer fees, fees for transferring your account to another firm, IRA maintenance fees, and charges for non-publicly traded securities or special services you request. More detailed information on these fees and costs is described in our Fee and Services Information disclosure found at dadavidson.com/Disclosures. Additionally, if we provide services to you with respect to investments that are not within our custody, your third-party custodian will likely charge you additional custody and brokerage fees.

For additional information about fees and costs, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A: Firm Brochure, and the Form ADV Part 2A: Wrap Fee Program Brochure.

Ask Your Financial Professional

- *Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER OR WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide to you. Here are some examples to help you understand what this means:

Proprietary Products

Our Firm receives more compensation and benefits if you invest in products that are issued, sponsored, or managed by us or our affiliates — for example, a mutual fund managed by Davidson Investment Advisors. This creates an incentive for us to recommend or select proprietary products over others.

Third Party Payments

We receive compensation such as sales commissions for certain investments we sell including mutual funds, UITs, closed-end funds, structured products, alternative investment funds, annuities, and other insurance products. This creates an incentive for us to recommend or select investments that pay us these fees (and that pay them in greater amounts) over those that do not pay us or that pay us lower fees.

Revenue Sharing

The sponsors of some investments (for example, fund companies), third-party banks that participate in our cash management program, and other third parties share with our Firm a portion of the revenue they earn. This creates an incentive for us to recommend or select these types of investments and/or programs that share revenue with us (and those that share more revenue with us than others) over those that do not share revenue with us or share less revenue with us than others.

Principal Trading and Underwriting

When we sell stocks, bonds, CDs, UITs, closed-end funds, and certain other investments from our Firm's inventory to you, or buy them from you, or where we are a member of an underwriting group we usually receive more compensation and benefits (sometimes as a "mark-up" adjustment to the price of investments when purchased, and a "mark-down" when investments are sold) than if the trade were between you and a third party in the secondary market. This creates an incentive for us to recommend principal trades or securities issued by us as a member of an underwriting group.

Ask Your Financial Professional

- *How might your conflicts of interest affect me, and how will you address them?*

For additional information about our conflicts of interest, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A: Firm Brochure, and the Form ADV Part 2A: Wrap Fee Program Brochure.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

The primary cash compensation we pay to each of our financial professionals is a share of his or her "production." Production means the commissions, asset-based wrap fees, and other revenues that the financial professional generates for our Firm by providing services to investors. Our financial professionals receive between 25% and 51% of their production in most cases, and the rest is kept by our Firm. The percentage that your D.A. Davidson financial professional receives depends on his or her production over the previous six (6) months, and industry tenure. Some revenues paid to our Firm, such as payments from third-party banks participating in our cash management program, do not count toward our financial professionals' production.

Our financial professionals can also earn performance awards and bonuses payable in cash or stock of our parent company, as well as non-cash compensation, larger expense allowances, and support services. These awards and bonuses are based largely on the financial professional's production.

Because the compensation we pay to our financial professionals is based largely on their production, how much each individual financial professional is paid depends on several factors, including the following:

Compensation based on client assets serviced
More client assets generally mean an opportunity to earn more compensation. This may create a conflict of interest when our financial professionals make recommendations to bring more assets to our Firm.

Compensation based on products sold
For brokerage services, we receive different levels of brokerage commissions and sales commissions from different investments. While we are required to act in your best interest when we recommend investments to you, you should understand that we still receive different rates of compensation for selling different types of investments, and in some cases, even between competing products of the same type. As a result, our financial professionals have conflicts of interest when they recommend investment types or specific products. Some will generate more brokerage commissions or sales commissions for our Firm, meaning higher production and pay for a financial professional, than others.

Compensation based on revenues from brokerage and advisory services
Both commissions and other charges for brokerage services, and asset-based wrap fees, count toward our financial professionals' production. For brokerage services, while we are prohibited from recommending an excessive level of trading, you should understand that both our Firm and our financial professionals will receive more compensation if you buy and sell securities often and buy and sell larger amounts of securities. For investment advisory services, the frequency and amount of trades does not affect our financial professionals' production. However, we generally receive higher fees for investment advisory services than brokerage services, and higher fees for some advisory programs than others. This creates conflicts of interest when our financial professionals make recommendations about account types (brokerage vs. advisory), and different advisory programs. Each financial professional's production, and therefore his or her compensation, will be higher for some services and programs than others.

Disciplinary History

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Visit Investor.gov/CRS for a free and simple search tool to research our Firm and our financial professionals.

Ask Your Financial Professional

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

You can find additional information about our brokerage and investment advisory services, including a copy of this Client Relationship Summary at dadavidson.com/Disclosures. You can also request up-to-date information or a copy of this Client Relationship Summary by calling us at 800-332-5915 or by emailing clientinquiries@dadco.com.

Ask Your Financial Professional

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

D.A. Davidson & Co. (our "Firm")
Exhibit to Regulation Best Interest Disclosure
(Effective March 27, 2024)

1. **The following investment and insurance product sponsors provided our Firm with payments and reimbursements in support of our financial professional education efforts and marketing efforts between March 29, 2023 and March 27, 2024 (as described under Section 2.3.3 of the Regulation Best Interest Disclosure): ***

   - **Mutual Funds, ETFs and ETNs:** Alta Capital Management, Avantis Investors, American Century, Baron Funds, Beacon Capital, BlackRock, Brown Advisory, Capital Group American Funds, Columbia Threadneedle Investments, Confluence Investment Management, CUNA, Eaton Vance, First Trust, FPA Funds, Franklin Templeton Investments, Genter Capital Management, Hartford Funds, John Hancock Investment Management, J.P. Morgan Asset Management, Janus Henderson, Lord Abbett, Manning & Napier, Marshfield Associates, MFS Investment Management, PIMCO, Polen Capital Management, Principal Finance Group, Prudential Financial, Russell Investments, Sterling Capital Management, Thornburg Investment Management, Transamerica, Victory Capital Management, Virtus Investment Partners, WestEnd Advisors, Yorktown Funds
   - **UITs:** First Trust Portfolios, L.P.
   - **Variable products and other insurance products:** Jackson National, Lincoln Financial Group, OneAmerica Financial, Principal Financial Group, Prudential Financial, Standard Insurance Company, Transamerica
   - **Closed-End Funds**: Cohen & Steers, PIMCO
   - **Alternative Investments**: CAIS

** Typically, the payments and reimbursements our Firm receives in support of our education and marketing efforts are not directly tied to specific product sales or business volume. Investment and insurance product sponsors will change from time to time. These payments and reimbursements are not usually determined by formula and can differ significantly over time. In the majority of cases, we expect to receive less than $100,000 of such payments and reimbursements from any single organization during any given fiscal year.*

2. **The following investment product sponsors provide our Firm with revenue sharing** payments between March 29,2023 and March 27, 2024 (as described under Section 2.3.3 of the Regulation Best Interest Disclosure) (other than payments in support of our education and marketing efforts, as described above):**

   - **UITs (volume concessions):** First Trust Portfolios, L.P.
   - **Annuities and Life Insurance:** Transamerica

*** As a Firm we also receive interest payments from all of the third-party banks who participate in our cash management program. This is described in greater detail in the Cash Management Program Disclosure Statement that has been furnished to you. You may request a current copy from your financial professional.*

3. **Our Firm offers the following proprietary products*** to retail clients between March 29, 2023 and March 27, 2024 (as described under Section 3.2 of the Regulation Best Interest Disclosure):**

   - **Mutual Funds:** Davidson Multi-Cap Equity Fund, which is managed by Davidson Investment Advisors, Inc. ("DIA")
   - **Alternative Investment Funds:** Concordant Partners, LLC (d/b/a The Concordant Fund), which is a hedge fund managed by financial professionals of D.A. Davidson & Co.

****Please note also that San Pasqual Financial Holding Corporation ("San Pasqual") is a privately held corporation which owns a California state-chartered financial institution and trust company and a Nevada state-chartered trust company. Certain D.A. Davidson officers, in their personal capacity, own a minority interest in San Pasqual (the "Davidson Owners"). San Pasqual provides trust administration services but does not manage trust assets. Instead, the company oversees investment managers managing such assets for and on behalf of their clients. San Pasqual also acts as trustee for certain accounts for which D.A. Davidson provides brokerage or investment advisory services. Financial professionals may refer clients to San Pasqual for trust services, and San Pasqual may allow the financial professionals to continue to manage the client's assets held with D.A. Davidson, but San Pasqual is under no obligation to do so. As a trustee, San Pasqual is also authorized to hire a financial professional to manage a trust's investment assets. The Davidson Owners and D.A. Davidson could benefit indirectly from referrals by each organization to the other, through the fees retained by the firm to whom the client is referred.*