Part 2A Appendix 1 of Form ADV:
Wrap Fee Program Brochure ("Brochure")

March 31, 2025

5845 Widewaters Parkway, Suite 300
East Syracuse, NY 13057
United States
(315) 251-1101
www.pinnacleinvestments.com
SEC File Number: 801-67860
CRD Number: 142910

This brochure provides important information about Pinnacle Investments, LLC. ("Pinnacle Investments, Firm, us, our, or we"). You should use this brochure to understand the relationship between you, the Firm and your investment adviser representative ("IAR"). If you have any questions about the contents of this brochure, please contact us at (315) 251-1101 and/or compliance@pinnacleinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Pinnacle Investments is a registered investment advisor. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Pinnacle Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov (select "Firm" and type in "Pinnacle Investments, LLC").

Current copies of this brochure are available online at:

www.PinnacleInvestments.com/disclosures

Item 2: Material Changes

Pinnacle Investments has made substantial updates to its Form ADV Part 2A to provide more comprehensive and transparent disclosures. These updates include the disclosure of additional conflicts of interest relating to compensation arrangements, trading practices, and technology fees, among other important areas. These changes are part of our firm's ongoing commitment to compliance and ensuring that our clients are fully informed of any potential conflicts that may impact their relationship with us. The Firm has also removed some duplicative language in the ADV 2A wrap brochure.

Pinnacle has also added another wrap program offered through American Funds referred to as the American Funds F-2 Share program.

Pinnacle recently renegotiated an amendment to its clearing firm's Pricing Schedule A, which resulted in an additional financial benefit to the firm. Details surrounding this can be found in item 9 of this disclosure.

Pinnacle has made updates to the frequency in which a supervisor will conduct a review of an entire managed account portfolio. Details surrounding this change can be found in item 9 of this disclosure.

We encourage all clients to carefully review these updated disclosures and reach out to us with any questions or concerns regarding these findings, the changes we've made, or how they may affect your advisory relationship with Pinnacle Investments.

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About the Firm

Established in 1995, Pinnacle Investments is registered as a broker-dealer and investment adviser with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation ("SIPC").

Pinnacle Investments is 100% owned by Pinnacle Holding Company, LLC which is organized as a limited liability company. There are no individual owners of 25% or more of Pinnacle Holding Company, LLC. FKAPI, Inc., a domestic entity, owns 25% or more of Pinnacle Holding Company, LLC.

Our principal business is providing a full line of services as a registered securities broker-dealer and investment adviser. In our capacity as a broker-dealer, we are involved in the sale of securities of various types including but not limited to stocks, bonds, mutual funds, alternative investments, unit investment trusts ("UITs"), and variable annuities.

As of March 11, 2025, Pinnacle Investments had regulatory assets under management of $1,056,507,771, of which $12,701,545 was managed on a non-discretionary basis and $1,043,806,166 was managed on a discretionary basis.

This Brochure is intended to provide you with information regarding our investment advisory services, fee arrangements, qualifications, and business practices that should be considered before becoming our advisory client.

Individuals who are appropriately licensed, qualified or approved as investment advisor representatives ("IAR") with us will be authorized to provide investment advisory services. For the advisory programs outlined in this document, Investment advisor representatives only provide services and charge fees based on the descriptions detailed in this document. However, the exact services you will receive and the fees you will be charged depend on your particular investment advisor representative. Investment advisor representatives are instructed to consider your individual needs when recommending an advisory platform.

All of our investment advisor representatives are also approved to provide investment advice in their separate capacity as registered representatives of our dually registered broker-dealer. When acting as a registered representative, these representatives will charge commissions on a per-transaction basis when implementing their advice for clients.

When deciding which, if any, of the advisory programs available through us is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, may result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, fee-based accounts may result in higher annual costs. The total cost for transactions under a fee account versus a commission account can vary significantly and depends upon several factors, such as account size, amount of turnover (number of transactions), type and quantities of securities purchased or sold, commission rates and the client's tax situation. You should have a conversation with your investment advisor representative and read this Brochure carefully as it explains our programs in detail.

Our investment advisor representatives and their branch offices may use marketing names or other names that are held out to the public. Such names are known as "doing business as" or "dba" names. The purpose for using these other names is so that the investment advisor representative can create an identifiable brand that is specific to him or her personally or to their branch office but separate from us. While we allow our investment advisor representatives to use DBA names, advisory services, and securities are offered through us.

Services

The purpose of this brochure is to describe the various WRAP fee advisory programs that the Firm sponsors. In addition to WRAP programs, the Firm also provides additional advisory services as described in the Firm's ADV Part 2A.

Pinnacle Investments may use some or all of the following factors when determining if a wrap-fee program is in the best interest of the client, including trading activity, custody fees, portfolio management and client service fees. Pinnacle Investments pays portfolio managers up to 100% of the Wrap-fee paid by clients.

WRAP fee programs create a conflict of interest due to the fact that all management and execution fees are included in the price of the program. This creates an incentive for the Firm to conduct less trading. To help mitigate this risk, the Firm reviews accounts on an annual basis as part of the annual advisory review process.

Wrap-Fee Programs Offered:

Types of Advisory Services

We sponsor or offer a number of wrap fee advisory programs that are designed to help you meet your investment objectives and goals. They include Mutual Fund and ETF Advisory Programs, Unified and Separately Managed Account Programs ("SMA"), Financial Advisor ("FA") Directed Programs, and Non-Discretionary, Client-Directed Advisory Programs. We also offer Financial Planning advisory services.

Pinnacle Investments offers clients the following Wrap Fee ("Wrap-Fee") Programs:

American Funds Distributors, Inc. F-2 Share Directly Held Funds

Pinnacle Investments has the ability to actively manage advisory accounts directly held through American Funds Distributors, Inc. (American Funds) in share classes that do not have an up-front or contingent deferred sales charge. Class F-2 shares are designed for investors who choose to compensate their financial professional based on the total assets in their portfolio, rather than commissions or sales charges. This arrangement is often called an "asset-based" or "fee-based" program. Class F-2 shares do not carry a 12b-1 "trailing commission". Fund expenses will vary with each investment selection depending on multiple factors as outlined in the fund prospectus. Please note that Class F-2 shares are not available for purchase in certain employer-sponsored retirement plans unless they are part of a qualifying fee-based program.

American Funds F-2 funds are managed by advisors on a discretionary basis according to the client's individual needs, goals and objectives. The advisory fee charged for these accounts is a flat rate which may range between 0.25% and 1.00% annually. These fees are calculated and debited by American Funds quarterly in arrears based on an average daily balance of the account(s). IRA and Coverdell ESA accounts are subject to a $10 setup fee and $10 annual fee, but not subject to any additional trading related fees through the American Funds platform. The client must acknowledge and agree to allow American Funds to liquidate shares of the funds held in order to cover any applicable advisory or account service fees.

<u>Ascend</u>

Program Description:
Pinnacle Investments has entered into an agreement with Betterment, LLC ("Betterment") to utilize its platform for our Ascend program. The Ascend program is designed to help investors achieve their goals by providing broad diversification and automatic rebalancing combined with ongoing advice from Pinnacle Investments' IAR. Accounts are managed on a limited-discretionary basis.

With respect to Betterment's Wrap Fee Program, clients customize their accounts according to their financial situation and investment goals and choose among several portfolio strategies described below. To use Betterment's services, clients and/or their Advisors must inform Betterment of their financial situation and preferences through Betterment's online interface and Pinnacle IAR's direct business form. Based on this information, Pinnacle IAR's will recommend clients an asset allocation of stock to bonds for the selected securities portfolio strategy, the IAR will recommend their clients an asset allocation based on the selected securities portfolio strategy or Custom Portfolio (please refer to Betterments ADV2A).

In its Wrap Fee Program, Betterment generally organizes its advice into one of five categories – education, retirement, safety net/emergency fund, major purchase, and general investing – each with different attributes and a discrete advice model. After identifying an advice type, clients or their IAR select a securities portfolio strategy and provide details about their investing purpose. Pinnacle IAR's solicits input on a client's anticipated time horizon in order to recommend an allocation, which is a specific set of asset classes (i.e. stocks, bonds, and if applicable, other asset classes) and the relative distribution among those asset classes in which a client's account will be invested (the "Allocation"). Betterment, and Pinnacle IAR's, allow clients to adjust the recommended Allocation to their own risk preference and provides information about the risk level of the selected Allocation. An Allocation differs depending on whether a client's goal is taxable or tax-advantaged and when the client expects to draw on their goal.

In general, Betterment, and/or Pinnacle IAR's, will recommend to clients who indicate a desire for a more conservative investment approach (such as a safety net/emergency fund) or shorter time horizon a more conservative Allocation and will recommend to clients who indicate a desire for a more aggressive investment approach or longer time horizon a more aggressive Allocation. Clients and/or their IAR's either accept the recommended Allocation or elect a different Allocation based on their or their client's own risk tolerance or preferences. Clients and/or their IAR's have the ability to impose reasonable restrictions on the management of their portfolios. Clients and/or their IAR's are able to restrict the securities purchased for their accounts by electing a Flexible portfolio strategy to choose from the available pre-selected asset classes and adjust allocation weights. Clients and/or their IAR's also have the ability to enable or disable several of Betterment automated portfolio management features.

PORTFOLIO STRATEGIES

Betterment currently offers several investment portfolio strategies to Retail, Retirement Plan, and Third-Party Advised Clients, subject to limitations on availability as described below. Betterment's Executive Investment Committee (the "EIC") is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. The EIC determines which portfolio strategies to offer to clients directly and through Advisors and oversees each portfolio strategy (please refer to Betterments ADV2A for details on their portfolio strategies).

Minimum Account Opening Balance:

There is no minimum requirement for account size to participate in Pinnacle's Ascend program through Betterment, however the minimum deposit is $10.00. The program is intended for use by retail clients.

Fees

Fees for Ascend are only offered on a wrap-fee basis, covering all of the execution, consulting and custodial services as well as each Manager's fee for their services. Fees for our Ascend program vary depending on the service model.

Annualized fees range from 0.25% to 1.50% if a Pinnacle Investments adviser representative is involved with investment management services. These rates may be negotiated based on account size and level of service required. Betterment, LLC receives 0.25% for the use of their platform. The portion of the fee above 0.25% is retained by Pinnacle Investments. In addition, ETFs have fees associated with them that you will pay above and beyond the stated contract rate you sign. These fees are embedded within the price of the ETF. Please refer to the prospectus for specific fees associated with a given ETF. Fees are billed quarterly in arrears. Fees are calculated beginning one day before the end of the prior quarter and the accrual of fees ends two days prior to the end of the current quarter.

Wells Fargo Advisors Programs

Pinnacle Investments has entered into an agreement with Wells Fargo Advisors ("WFA"), and Wells Fargo Investment Institute, Inc. (“WFII”), pursuant to which WFA and WFII provide advisory and/or other services (“WFA Programs”). Clients of investment advisory accounts described herein are clients of Pinnacle Investments. Pinnacle Investments is not related to or affiliated with WFA, WFII or Wells Fargo Clearing Services, LLC (the "Clearing Agent"). Unless otherwise specified, Clearing Agent will maintain custody of client assets. Clearing Agent qualifies as a "qualified custodian" as described by Rule 206(4)-2 of the Investment Advisers Act. WFA and Clearing Agent each reserves the right to reject and not provide services to any client or with respect to any client account for any reason.

WFA *provides advisory and other services* to Pinnacle Investments with respect to the following WFA Programs: 1) Personalized Unified Managed Account (Personalized UMA), 2) FundSource/Pathways, and 3) Customized Portfolio 4) Private Advisor Network. Please review the appropriate WFA Disclosure Documents for a complete description of each program.

WFA does not provide advisory services to Pinnacle Investments with respect to A) Private Investment Management (“PIM”), B) Asset Advisor and C) CustomChoice. While WFA is the sponsor of these advisory programs, WFA provides certain non-advisory services which enable Pinnacle Investments to offer these programs.

The Pinnacle IAR may receive compensation as a result of the Client’s participation in the program. The amount of this compensation may be more than what the Pinnacle IAR may receive if the Client participated in Pinnacle’s other programs or paid separately for investment advice, brokerage, and other services. The Pinnacle IAR, therefore, may have a financial incentive to recommend the wrap fee program over other programs or services.

While WFA’s Personalized UMA, Fundsource/Pathways, Customized Portfolios, Private Advisor Network Program, Private Investment Management Program (PIM), Asset Advisor Program, and CustomChoice Program (“WFA Programs”) are described herein, these programs are sponsored, controlled, administered, and billed solely by WFA, not Pinnacle Investments. While Pinnacle Investments has made its best efforts to describe these programs accurately and comprehensively as it relates to acting as investment advisor to our clients under these programs, WFA may change the programs at any time without our consent.

1. Personalized Unified Managed Account (Personalized UMA)

Upon reviewing your investment needs, objectives and risk tolerance, we will assist you in selecting among various investment options available within the Program, which includes investments in affiliated and unaffiliated Managers, mutual funds, ETFs and advisory annuities, each known as a strategy. The Program offers three investment strategy types:

- Single Strategy, where you select one strategy of a certain affiliated or unaffiliated Manager per Account.
- Multi Strategy Optimal Blends, where you select target allocations comprised of strategies of certain Managers, mutual funds and/or ETFs designed for Clients with various investment objectives. These Optimal Blends are based upon Manager, mutual fund and ETF due diligence provided by our affiliate, WFII.
- Multi Strategy Custom Blends, where you create your own custom target allocations consisting of multiple strategies of Managers, mutual funds, ETFs and/or advisory annuities in one Account.

The intent of the Program is to offer a competitive roster of high-quality Managers, mutual funds, ETFs and advisory annuities representing a broad array of investment asset classes and approaches. The varied asset classes and investment styles are generally intended to be complementary in nature with respect to their combined diversification and risk/return-based characteristics.

Single Strategy and Multi Strategy Investment Options

Single Strategy offers you access to one strategy within an Account. Single strategy Accounts may invest in Managers, WFA constructed strategies from the Allocation Advisors and Wells Fargo Compass series of portfolio strategies, WFII constructed Customized Portfolios Equity Strategies and all of the available FundSource® Optimal Blends.

Optimal Blend portfolios are based on Wells Fargo Investment Institute's ("WFII"), analytical process that focuses on both the merits of an investment strategy and on how the various strategies on our roster complement each other. We offer Multi-Strategy Optimal Blends comprised of Managers, mutual funds and/or ETFs on our roster that complement one another. The combination and allocation strategy of the selected investment strategies are based on our determination of the appropriate target asset allocation and/or risk/return profile for your investment objective and risk tolerance. The strategies and/or funds and allocations are modified from time to time based upon changes in asset allocation guidance or our assessment of factors impacting individual funds or particular combinations.

Multi Strategy Custom Blend allows you to create your own combination of strategies all within a single Account. With the help of your Pinnacle IAR, you will choose a percentage target allocation for each strategy you select. Available strategies include Managers, the portfolio strategies of Allocation Advisors, Wells Fargo Compass, Customized Portfolios Equity strategies, FundSource® Optimal Blends, ETFs, individual mutual funds and advisory annuities.

We recommend that you construct your Custom Blend prudently. While the simplicity of having multiple strategies in a single Account could be attractive to you, combining too many strategies in a single Account can create a negative experience. Please consider the number of securities held by each strategy, their security sizes and turnover when constructing a Custom Blend.

Features of Personalized UMA

Trading Authorization

Unless you choose an advisory annuity, WFA or the Manager will have discretion over the day-to-day investments of the Account. Who you grant trading authorization depends upon the strategies you have chosen.

- Trading Authority - where an Account or a portion of your Account is allocated to a Manager, the Manager participates in one of two ways:
- Discretionary Managers - Discretionary Managers are responsible for the day-to-day investing of your assets participating in their selected investment strategy. We will not be responsible for any decision made by a Discretionary Manager as to the day-to-day management of your assets.
- Model Managers - Model Managers provide their investment strategy to WFA, designating WFA as the Manager. When designated as the Manager, WFA will manage that portion of your Account on a discretionary basis, including the day-to-day investing of assets, based on the advice provided to them by each Model Manager with respect to the securities and other investments to be purchased and sold for a particular investment strategy. WFA will implement the Model Manager's recommendations without change, but within our policies and subject to any reasonable restrictions you choose to impose. Manager Profiles associated with the selected Manager Strategy will indicate when the Manager is acting as a Model Manager. Model Managers include third-party affiliated and unaffiliated managers, WFII (in the case of Allocation Advisors, Wells Fargo Compass, Customized Portfolios Equity strategies and FundSource® Optimal Blends) and Russell Investments (in the case of Pathways models).

In addition to acting as a Model Manager, WFA also have discretion to direct transactions in the following circumstances:

- rebalancing a Multi-Strategy Account as you directed to maintain levels in conformance with your target allocation when the actual allocation within Managers/strategies varies by more than certain established percentages from your target allocation, whether as a result of market changes or additions to, or withdrawals from, the Account;

- any gain or loss selling that you request;
- selling securities being added to the Account, initially or during the term of the service, that are not compatible with the Manager's investment model portfolio;
- liquidating all or a portion of the Account as requested should you terminate the Personalized UMA Program Account; and
- under certain circumstances, WFA retain the right to use discretion to direct trades and notify the Managers after those trades are completed.

Advisory Annuities within Personalized UMA

Within a Personalized UMA Multi Strategy Custom Blend you have the ability to purchase, on a non-discretionary basis, certain advisory annuities included on our Allowable List that are in an advisory share class or I-share class. We, or WFA, will not have investment discretion over the advisory annuity assets in your Account and you authorize WFA or its agent to implement your investment decisions and process all transactions related to your purchase of any advisory annuity in the Account. In addition, any confirmations for transactions related to the advisory annuity must be sent to you even if you have elected to suppress confirmations on other discretionary assets within the Personalized UMA Account.

For advisory annuities, consider any charges and fees, including mortality and expense charges, administrative charges, and investment management fees and applicable 12b-1 fees for the portfolio options. These charges and fees will reduce the value of your Account and return on your investment. If you have selected a rider, or optional feature, there is typically an additional cost. Annuity contracts are available in several price structures at WFA. In addition to the advisory annuity contract fees and expenses, you will be charged an advisory fee based on the terms set forth in your advisory Client Agreement. This advisory fee will not be taken from the advisory annuity contract. Over time, your total expenses to own an advisory annuity inside your investment advisory Account will exceed the total expenses to own a similar annuity outside your investment advisory Account.

Manager/Allocation Changes

Within the Personalized UMA Program, WFA has the discretion to remove a Manager, mutual fund or ETF and replace it with another Manager, mutual fund or ETF. For Managers, WFA, and/or your Pinnacle IAR, will notify you in advance if a Manager in your Account is going to be removed from the Program. As part of the removal process, we will propose a replacement Manager, as applicable. If you do not object to the replacement Manager, or select another available Manager, you will be deemed to have consented to and appointed the replacement Manager. If you object to the replacement you have the option to terminate your participation in the Program without penalty. To the extent that a removed Manager invests in mutual funds proprietary to the Manager and the Manager is no longer part of the Program, WFA will liquidate these positions upon termination of the Manager's services. Any securities traded as a result of such changes could result in tax consequences. Reasons for removing a Manager include, but are not limited to, failure to adhere to expected investment objectives or a given management style, a material change in the Manager's professional staff, unexplained poor performance, or dispersion of Client Account performance. Similar factors are considered in replacing mutual funds or ETFs within Personalized UMA.

With respect to mutual funds or ETFs, WFA, or your Pinnacle IAR, will not notify you prior to any removal and replacement. For Optimal Blends, in addition to replacing a Manager, mutual fund or ETF, WFA will also adjust the target allocation within an Optimal Blend from time to time without your consent.

For a Single Strategy or Multi Strategy Custom Blend, you have the ability to remove and/or replace a Manager, mutual fund or ETF from your Account at any time. The Program is not intended to serve as a vehicle for frequent Manager, mutual fund or ETF switching in response to short-term fluctuations in the securities markets. Program services are designed as long-term investments and, therefore, are not appropriate for "market timing" or other trading strategies that entail rapid or frequent investment and disinvestment, which could disrupt orderly management of the various investment portfolios available in the

Service ("disruptive trading"). If disruptive trading activity is detected in Client Accounts, WFA reserves the right to take appropriate action to stop such activity. WFA reserves the right to modify these policies at any time.

Withdrawals could cause the individual Manager allocations to fall below the Manager minimums. Managers reserve the right to resign from the management of their allocation should the minimum fall to a point where they can no longer effectively manage the allocation.

Multi-Strategy Rebalance Options

The target allocation you select applies at the time the Account is established in the Personalized UMA Program. Additions to and withdrawals from your Account will generally be allocated based on the target allocation. Fluctuations in the market value of assets, as well as other factors, however, will affect the actual allocation in the Managers/strategy at any given time. In order to maintain your overall Account with us in conformance with your target allocation among Managers/strategies, WFA will automatically rebalance, or direct the rebalancing of, the Account periodically if the levels of the Managers/strategies vary by more than certain established percentages from the target allocation. You have the ability to request a rebalance of your Account.

Description of Available Strategies within Personalized UMA

Allocation Advisors portfolio strategies

Allocation Advisors strategies enable you to invest in discretionary portfolios developed by either WFII or its affiliates, or an unaffiliated Manager who has been contracted by WFA for their management expertise, and who provides their investment strategy to us. Allocation Advisors strategies are designed to provide a disciplined approach to meet the varying objectives and needs of Clients through objective-based or asset allocation portfolios.

Allocation Advisors strategies include the Strategic ETF strategies, the Cyclical Asset Allocation Portfolios Plus ("CAAP Plus") strategies, the Tactical ETF strategies, the ESG Aware strategies, the Intuitive Investor ETF strategies, the Active/Passive and Tactical Active/Passive strategies. These strategies are developed with a focus on risk, return, and correlation between asset classes, while taking into consideration asset allocation guidelines based upon various time frames. The unaffiliated Managers, Morningstar Investment Management, LLC and Laffer Investments, also develop Allocation Advisors strategies. The services they provide are limited to the delivery of their investment model.

Allocation Advisors strategies ordinarily consist of ETFs, exchange-traded notes ("ETNs"), closed-end funds, open-end mutual funds and other securities. WFII, its affiliates, or the unaffiliated Manager determines both the asset allocation and security selection utilized in the Portfolios and will review those selections periodically. Both the asset allocation and/or securities utilized in these strategies can be adjusted or replaced at any time. Allocation Advisors strategies are managed separately and are not pooled. To meet investors' individual needs for diversified portfolio solutions, the Allocation Advisors strategies offer various families of discretionary portfolios. Each family is managed with a different approach to asset allocation, as described below, which are based on time horizon or a unique portfolio objective: strategic, tactical, cyclical or objective oriented. Within each family, the portfolios offered bring together the portfolio investment objective (Income, Growth & Income, and Growth) along with a degree of risk tolerance (Conservative, Moderate, and Aggressive). These investment objectives are defined later in this document.

The investment process used to select the securities utilized within the strategies for the various asset classes is based primarily on how well the various securities have tracked the specific index or market sector for which the security represents. The strategies are comprised of ETFs that have a high correlation to their underlying index. However, the performance of the index- related ETFs will vary somewhat due to transaction costs, market impact and corporate actions such as mergers and spin-offs.

Portfolio Strategy Series

The Strategic ETF strategies utilize an asset allocation approach based on WFII's recommended long-term strategic guidelines, with an outlook of generally 10-15 years. WFII reviews the long-term strategic recommendations on a periodic basis and changes the asset allocation recommendations from time to time in light of new research and analysis.

WFA offers nine Strategic ETF strategies: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth.

The Cyclical Asset Allocation Portfolios Plus (CAAP Plus) strategies utilize an asset allocation approach that re-evaluates capital market assumptions at least every three months, while managing the strategies with a time horizon of three to five years. These strategies do not mirror the asset allocations utilized in either the Tactical ETF strategies or Strategic ETF strategies but follow generally similar but separate capital market assumptions. These assumptions are based on a cyclical asset allocation approach developed by WFA, based on their belief as to where we are in the current market cycle (generally a 3–5-year timeframe) instead of over several economic cycles (generally 10–15-year timeframe). At times, the CAAP Plus strategies over or underweight certain sectors with respective sector-related exchange-traded products ("ETPs"), which are designed to track specific market industries or asset classes. WFA determines the sector over or underweight positions in the strategies.
Offered are six CAAP Plus strategies: Moderate Income, Conservative Growth & Income, Moderate Growth & Income, Moderate Growth & Income Tax Managed, Moderate Growth and Aggressive Growth.

The Tactical ETF strategies utilize the most active, or tactical, approach to asset allocation amongst the Allocation Advisor strategies. While utilizing WFII recommended long-term strategic asset allocation guidelines (generally 10–15-year outlook) as the basis for the asset allocation for these portfolios, the Tactical ETF strategies also incorporate short-term adjustments generally looking out six to eighteen months. These short-term tactical adjustments reflect our current thinking about near-term risks and opportunities and are implemented in the strategies on an ad-hoc or as needed basis. WFA offers nine Tactical ETF strategies: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth.

The Active/Passive and Tactical Active/Passive strategies utilize an asset allocation approach based on WFII recommended long-term strategic guidelines, with an outlook of generally 10-15 years. WFII reviews their long-term strategic recommendations on a periodic basis and changes the asset allocation recommendations from time to time in light of new research and analysis. The strategies are comprised primarily of a combination of ETFs and mutual funds. The combined use of these products provides access to passively managed index correlated investments blended with an allocation of actively managed funds to help actively manage risk and potentially improve the risk/reward profile of the strategies. However, the performance of the index-correlated securities will typically lag the index due to expenses. In addition to the combination of ETFs and mutual funds, the Tactical Active/ Passive strategies also employ a blend of more traditional low-cost ETFs and complementary "Smart Beta ETFs." Smart Beta ETFs seek to enhance strategy construction by systematically weighting underlying securities by factors other than just the size of the companies or issuances. While utilizing our recommended long-term strategic asset allocation guidelines, the Tactical Active/ Passive strategies also incorporate short-term adjustments generally looking out six to eighteen months. These short-term tactical adjustments reflect WFII's current thinking about near-term risks and opportunities and are implemented in the strategies on an ad- hoc or as needed basis.

WFA offers nine Active/Passive and Tactical Active/Passive strategies: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth.

The Environmental, Social and Governance (ESG) Aware strategies seek to incorporate investment products with greater awareness of Environmental, Social and Corporate Governance factors relative to other potential investments within a given asset class, economic sector, industry and/or geographic region. The products used either have specific ESG-related mandates or employ investment processes that incorporate ESG screening/awareness as part of their overall investment selection and risk management process. The overall intent is to favor investment approaches that are conscious of, and tend to collectively promote, environmental sustainability, responsible corporate citizenship and social impact, and fair and ethical business practices and corporate governance. It should be recognized that there will be asset classes where, or periods when, a desired ESG-oriented product is not currently available for use. Under such occurrences, a broader market Exchange Traded Fund (ETF) or mutual fund would be used to maintain overall desired portfolio exposures and diversification.

The strategies are primarily comprised of a combination of mutual funds and ETFs for which the mix will be based on the availability of recommended ESG-oriented products, the desired overall strategy allocation and other criteria intended to enhance strategy risk/return potential. In addition to the potential selective use of broad market ETFs, the ETFs used will include those systematically managed based on specified investment parameters and ESG criteria. Combining passively or systematically managed ETFs with actively managed funds can help enhance overall diversification and potentially improve the risk/reward profile of the portfolios. While ETF products often attempt to closely track specified market indices, the performance will typically lag the index due to expenses.

We offer the following nine ESG Aware strategies: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth.

The Intuitive Investor® ETF strategies utilize an asset allocation approach based on WFII's recommended long-term strategic guidelines, with an outlook of generally 10-15 years. WFII reviews the long-term strategic recommendations on a periodic basis and changes the asset allocation recommendations from time to time in light of new research and analysis. These strategies allow you to invest in one of several discretionary asset allocation strategies that are diversified across multiple asset classes. The Intuitive Investor ETF strategies consist of a blend of traditional low-cost ETFs and complementary "Smart Beta ETFs." Smart Beta ETFs seek to enhance portfolio construction by weighting underlying securities by means other than just the size of the companies. These alternative ways to weight portfolio constituents can employ some of the same screening processes and optimization techniques used by active managers, but with systematic approaches to track referenced benchmarks helping to substantially reduce fund expenses in relation to fully active management.

WFA offers the following nine Intuitive Investor ETF strategies: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth, and Aggressive Growth.

The Morningstar Strategic ETF strategies follow the guidelines set forth by Morningstar Investment Management, LLC, a registered investment adviser that is unaffiliated with WFA or us. WFA offers five Morningstar Strategic ETF strategies: Moderate Income, Conservative Growth & Income, Moderate Growth & Income, Moderate Growth and Aggressive Growth.

WFA also offers the ***Morningstar ETF Multi-Asset High Income*** strategy. This objective oriented strategy offers the Morningstar model of asset allocation with an explicit preference for yield. The types of securities contained within the selected ETFs for investment in this strategy include but are not limited to: U.S., international developed market and emerging market debt obligations; U.S., international developed market and emerging market equities; preferred stocks; real estate investment trusts (REITs); mortgage REITS; Master Limited Partnerships; Royalty Trusts; and Business Development Corporations (BDCs). Debt obligations include, but are not limited to, investment-grade bonds; high yield (non-investment grade or unrated) bonds; U.S. Treasury or agency securities; U.S. Treasury inflation-protected securities (TIPS); certificates of deposit; commercial paper; mortgage-backed or asset-backed securities; floating-rate securities; loan portfolios; and taxable municipal bonds. The strategy invests in ETFs that employ what are referred to as "alternative" strategies or asset classes. These include but are not limited to trading strategies to accentuate returns or manage risk using futures, forward contracts, options, swaps or other derivative securities, or by short selling. Other strategies they use could include managed futures, investment in illiquid assets or assets with limited liquidity, or other non-traditional assets. A substantial majority of the securities are expected to produce current income, although some could be held for diversification, appreciation or potential future income. Morningstar monitors the portfolio on an ongoing basis which leads to the holdings being more actively managed than Morningstar Strategic ETF strategies. Morningstar has the ability to adjust positions at any time to reposition the strategy, reduce risk, or improve the strategies' risk/return profile.

The ***Laffer Glo***bal strategy is an ETF strategy that follows the investment recommendations of Laffer Investments, a global economic asset manager that applies macroeconomic principles to investment strategy management. Each ETF potentially represents equity investments from a single country that may be either a developed or emerging economy, a currency or a cash alternative. Each fund's investments are chosen for their macroeconomic and investment attractiveness during a given year.

The ***Laffer Dynamic U.S. Inflation*** strategy follows the investment recommendations of Laffer Investments, a global economic asset manager that applies macroeconomic principles to investment strategy management. The Laffer Dynamic U.S. Inflation strategy seeks to provide protection from inflationary pressures by constructing a portfolio which seeks to outperform the rate of U.S. inflation through Laffer Investments' recommendation on asset class allocations using ETFs.

Wells Fargo Compass asset allocation strategies

Wells Fargo Compass asset allocation strategies are designed by WFII to provide a disciplined approach to meet the varying objectives and needs of Clients. These services generally rely on fundamental securities analysis with some emphasis on charting or cyclical analysis as well. Each Wells Fargo Compass strategy is developed by utilizing a combination of these analysis methods in the management of the strategy. Program quality and concentration requirements are established to provide an overall discipline and structure. Such strategies ordinarily include long- and short-term purchase of equity and fixed income securities, ETFs, ETNs, open-end mutual funds and closed-end mutual funds ("CEFs").

The Wells Fargo Compass asset allocation strategies utilize a tactical asset allocation approach. While following the recommended long-term strategic asset allocation guidelines which represents a 10-15 year strategic outlook, these strategies also incorporate short-term adjustments generally looking out six to eighteen months. These short-term tactical adjustments reflect WFII’s current thinking about near-term risks and opportunities and are implemented in the Program strategies on an ad-hoc or as needed basis.

To meet investor needs for diversified solutions, based upon individual investment and risk objectives, WFA offers the following six Wells Fargo Compass asset allocation strategies: Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth, and Aggressive Growth.

To achieve these objectives the strategies invest in domestic stocks, preferred stocks, convertible securities, CEFs, ETFs, ETNs, investment-grade obligations or high-yield obligations. ETFs and CEFs are be used to manage allocation across all asset classes. They provide suitable levels of liquidity, diversification, and, in some cases, transaction costs that are attractive to the Manager(s) as they set their core strategy.

Wells Fargo Investment Institute (“WFII”) Social Impact Investing strategies within Personalized UMA

WFA offers ten Social Impact Investing equity and REIT strategies developed by WFII that offer investors the ability to align their financial goals with their values. A company or issuer for the equity and REIT portfolios will only be considered for inclusion in the portfolio if it is part of the curated universe for the strategy. The universe is constructed quarterly and includes a list of companies and issuers that are eligible for purchase. To construct the curated universe, WFII starts with the constituents of the Russell 1000 Index, the Nareit All Equity Index, and the S&P 1200 Global ADR. The equity and REIT strategies evaluate Environmental, Social and Governance (ESG) risk data which focuses on financial materiality. Examples of relevant data may include the Sustainalytics risk rating and controversy scores; carbon emissions and pollution levels; Corporate Equality Index rating, ISS governance ranking, and CPA-Zicklin rating on political spending disclosure. Additionally, each strategy has one or more values aligned exclusions and restrictions applied:

Core Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The WFII Core Equity strategy seeks to avoid companies involved in the production of tobacco and/or controversial weapons, companies with significant revenue from the production of thermal coal and companies with significant revenue from the operation of private prisons or correctional facilities.

Responsible Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The WFII Responsible Equity strategy seeks to avoid companies involved in the production of tobacco and/or controversial weapons, companies with significant revenue from the production of thermal coal, adult entertainment, gambling and private prisons or correctional facilities.

Faith-Based Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The WFII Faith-Based Equity Strategy excludes companies with any exposure to abortion, embryonic stem cells, or contraceptives; companies involved in the production of tobacco or controversial weapons; companies with significant revenue from the production of adult entertainment, alcohol, thermal coal, gambling, private prisons or correctional facilities.

Sustainable Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The Strategy excludes companies with significant revenue from the production of fossil fuels, mining, thermal coal, adult entertainment, gambling, private prisons or correctional facilities; companies involved in the production of tobacco, or controversial weapons.

Islamic Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The strategy limits security inclusion to holdings in the Dow Jones United States Islamic Index or the Dow Jones Islamic World All Index. The strategy seeks to align with Islamic investment practices. It excludes companies involved in conventional financial services, the production of pork, tobacco, controversial weapons, and weapons manufacturing, as well as companies with significant revenue from the production of adult entertainment, alcohol, gambling, or thermal coal, or from the operation of prisons/correctional facilities.

Christian Science Equity strategy provides a sector-diversified U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The WFII Christian Science Equity Strategy excludes companies with any exposure to for-profit healthcare; companies involved in the production of tobacco, controversial weapons; with significant revenue from the production of adult entertainment, alcohol, thermal coal, gambling operations, operation of private prisons or correctional facilities.

Animal Welfare Equity strategy provides a sector-diversified U.S. large cap equity portfolio composed of higher-quality companies judged to have good growth prospects, purchased at reasonable valuations (“growth-at-a-reasonable-price”). The investment team considers environmental, social, and governance (ESG) factors in its decision-making. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The strategy benchmark is the S&P 500 Index. The WFII Animal Welfare Equity Strategy excludes companies judged to act in a way that is particularly harmful to animals, companies involved in the production of tobacco, controversial weapons; with significant revenue from the production of adult entertainment, alcohol, thermal coal, gambling operations, operation of private prisons.

Equity Income strategy provides a sector-diversified, income focused U.S. large cap equity portfolio. The strategy seeks to limit exposure to companies judged to have unacceptable ESG risk. The WFII Responsible Equity Income strategy seeks to avoid companies involved in the production of tobacco and/or controversial weapons; companies with significant revenue from the production of thermal coal, adult entertainment, gambling, private prisons or correctional facilities.

Sustainable REIT strategy provides a diversified portfolio of real estate investment trust (REIT) securities. The strategy seeks to limit exposure to REITS judged to have unacceptable ESG risk. The Strategy excludes REITS whose most important tenants have significant revenue from the production of fossil fuels, mining, thermal coal, adult entertainment, gambling, private prisons or correctional facilities; involved in the production of tobacco, controversial weapons, and weapons manufacturing.

Faith Based REIT strategy provides a diversified portfolio of real estate investment trust (REIT) securities. The strategy seeks to limit exposure to REITS judged to have unacceptable ESG risk. The strategy excludes REITs whose most important tenants are involved in healthcare, involved in the production of tobacco, controversial weapons, weapons manufacturing, or derive significant revenue from the production of adult entertainment, alcohol, gambling, or thermal coal, or from the operation of prisons/correctional facilities.

Equity Optimization Strategies

Equity Optimization strategies ("EO Strategies") are managed by WFII and generally seek to track, as a primary objective, the risk and return characteristics of a selected index by directly investing in a subset of securities included in the index. The EO Strategies employ, as a secondary consideration, tax sensitive management techniques including tax-loss harvesting. As such, the EO Strategies are designed for use in taxable Accounts. To the extent a client chooses to select an EO Strategy for use in a tax- exempt account, including as part of an effort to track the risk and return characteristics of a modified index, no tax sensitive management benefits will be achieved and the fees associated with the EO Strategy will exceed those associated with certain other products that seek to track the risk and return characteristics of a standard, unmodified index. Clients may choose to fund EO Strategies with client owned securities that have imbedded taxable gains. However, when an EO Strategy is incepted in an Account, such holdings may be partially or entirely liquidated as the strategy pursues its primary objective, which is generally to track the risk and return characteristics of a selected index. For instance, securities that are used for funding and that are not included in the selected index and that are not otherwise compatible with the risk and return characteristics of the index will be sold without regard to potential tax consequences of such sales. Further, securities that are used for funding and that are included in the selected index or are otherwise compatible with the risk and return characteristics of the index may also be sold as the Account is diversified and positioned to pursue the risk and return characteristics of the selected index or other primary objective. The sale of such securities during the strategy inception process may result in significant tax liabilities for clients. Clients should carefully review the Equity Optimization Strategy profile sheet that is provided to them before or at the time that they enroll in an Equity Optimization Strategy for more important information about the particular strategy they have selected.

Personalized UMA Optimal Blend Models

Optimal Blends are built based on specified investment objectives, risk/return profiles and/or targeted asset allocations incorporating various exposures to the following major asset classes: cash alternatives, commodities, and domestic and international equity and fixed income securities. Optimal Blends can also incorporate asset allocation funds, alternative strategy mutual funds or other select funds that utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. The allocation targets are generally based on longer-term risk/return assumptions for varied asset classes or investment strategies and change from time to time in light of new research and analysis.

The stated investment objectives and/or allocation guidelines for the Optimal Blends provide the general basis by which these portfolios will be managed. Below defines the objectives of each Optimal Blend available:

Investment Objective Based Optimal Blends

Conservative Income: Conservative Income investors seek current income and preservation of capital as primary goals. With respect to risk considerations, investors are willing to forgo capital appreciation opportunities and accept lower levels of income and total return in exchange for lower risk. To achieve the overall objective the vast majority of assets will be maintained in investment grade fixed income, with relatively moderate exposure to equities (including REITs) and high-yield and emerging market bonds for both return and diversification considerations.

Moderate Income: Moderate Income investors place emphasis on income generation versus capital appreciation. While the growth of assets and the maintenance of purchasing power remain considerations and are reflected in measured risk-taking, these objectives are constrained by both the income-generation objective and a greater emphasis on maintaining safety of principal. Based on these combined goals, these investors are expected to remain predominately invested in fixed income investments, including relatively moderate allocations to high yield and emerging market bonds, complemented by a moderate allocation to broadly diversified equities.

Aggressive Income: Aggressive Income investors seek higher levels of current income, and, given a long-term time horizon and the financial willingness and ability to risk investment capital to achieve their income objectives, will employ more aggressive, higher-risk strategies that seek to offer higher potential income. In seeking to achieve its income objectives, the vast majority of the blend's assets will generally remain in fixed income investments, complemented by broadly diversified and higher yielding equities, including REITS. To accentuate yield, the fixed income portion will typically maintain substantial exposures to longer maturities and high yield and emerging market bonds.

Conservative Growth & Income: Conservative Growth & Income investors are characterized as having the dual objectives of generating both capital appreciation and current income while maintaining risk levels that are consistent with a more conservative investment approach. Based on overall risk considerations, these investors seek growth of assets to meet financial goals and protect purchasing power, while, relative to more aggressive mandates, maintaining safety of principal. As such, they are willing to accept lower potential returns in exchange for lower risk. Based on the combined risk, return and yield objectives, the asset allocation for these investors generally maintains the majority of assets in diversified fixed income investments, but with a complementary significant allocation to broadly diversified domestic and international equities.

Moderate Growth & Income: Moderate Growth & Income investors are characterized as seeking both income and capital appreciation while incurring moderate levels of risk. Investors seek to balance potential risk with their goals for current income and moderate growth of capital. Based on these combined goals and risk considerations, both diversified fixed income and equities will typically Account for significant portions of the overall asset allocation.

Aggressive Growth & Income: Aggressive Growth and Income investors are characterized as seeking significant growth of capital and income with a higher tolerance for risk. The dual mandate, greater risk tolerance and longer-term time horizon allow these investors to pursue higher-risk and generally more aggressive strategies that seek to offer higher potential returns. Diversified equities typically represent the majority of the blend. In addition to seeking income through dividend-paying equities, substantial fixed income exposure is generally maintained to enhance income yield and diversification.

Conservative Growth: Conservative Growth investors are characterized as seeking capital appreciation consistent with a majority of assets being held in equities, but with broader diversification and a level of risk-reducing exposures that result in volatility levels that are substantially below an all-equity portfolio. Investors seek growth of capital over current income, but with the maintenance of a more conservative risk profile and willingness to accept lower returns in exchange for lower risk. Based on these combined objectives, the majority of the asset allocation for these investors is maintained in broadly diversified equities, but with significant exposure to fixed income and other complementary assets to reduce risk.

Moderate Growth: Moderate Growth investors are characterized as primarily pursuing growth of principal and being willing to tolerate volatility consistent with the maintenance of a primarily equity portfolio in pursuit of this objective. These investors do not need their portfolios to provide current income but will look to non-equity exposure as a means to reduce risk and further enhance diversification. Based on these objectives, the asset allocation for these investors will remain predominately in diversified domestic and international equities, while relying on fixed income securities to moderately temper the overall risk level. Within equities considerable exposure will be maintained in asset classes with relatively higher longer-term growth potential, including mid- and small-cap stocks and emerging markets.

Aggressive Growth: Aggressive Growth investors are characterized as seeking long-term capital appreciation as their primary investment goal, with a long-term time horizon, little need for current income and a higher risk tolerance allowing for the potential of considerable volatility and interim periods of substantial loss of capital in exchange for potential higher longer-term returns. Risk levels are expected to be consistent with a broadly diversified all-equity portfolio. With an emphasis on long-term capital appreciation, exposure to small- to mid-cap and developed and emerging market international equities will typically represent the majority of the overall asset allocation.

Other Available Personalized UMA Optimal Blends

Moderate Growth & Income Tax Managed: To complement the Personalized UMA Multi Strategy Optimal Blends, WFA offers the Personalized UMA Multi Strategy Moderate Growth & Income Tax Managed Optimal Blend. The Tax Managed blend is an asset allocation portfolio intended for investors with tax sensitivity. This blend uses municipal bond separate Account strategies or funds where possible within fixed income allocations. The equity separate Account strategies and funds within this blend tend to exhibit lower portfolio turnover or employ other means intended to increase tax efficiency. WFA also generally favor strategies and funds that have a bottom-up approach to investing (focused on individual company considerations, merits and investment holding periods) as opposed to a top-down approach (more macro-economic focused) that could result in periods of substantially greater turnover. Since tax efficiency is not typically a concern in qualified Accounts, the Moderate Growth & Income Tax Managed Optimal Blend is not recommended for IRA or ERISA Accounts (Note: WFA does not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that has tax consequences).

Global Balanced DSIP/Global Balanced DSIP Tax Managed: The Global Balanced DSIP and Global Balanced DSIP Tax Managed Optimal Blends are offered to clients aligned with a Moderate Growth and Income investment objective. These two portfolios combine two Allspring Global Investments ("Allspring") equity income focused SMA strategies (Managed DSIP II and Global Dividend Payers) with other ETF's and/or mutual funds, to create a fully allocated portfolio. The two Allspring strategies will generally comprise 50% of the portfolio, though, at times, they will represent more, or less, of the strategy. Since tax efficiency is not typically a concern in qualified Accounts, the Global Balanced DSIP Tax Managed Optimal Blend is not recommended for IRA or ERISA Accounts (Note: WFA does not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that has tax consequences).

FundSource Optimal Blends within Personalized UMA:

FundSource is a separate discretionary investment advisory Program offered by WFA that offers a broad array of mutual funds based Optimal Blends that are also available in Personalized UMA. The FundSource Program is described in detail later in this document. All FundSource Optimal Blends are available within Personalized UMA. FundSource Optimal Blends are available to you directly through the FundSource Program rather than through Personalized UMA. However, Personalized UMA provides additional services and flexibility, such as the ability to combine a FundSource Optimal Blend with other Multi Strategy Personalized UMA eligible money managers, eligible ETFs and/or other eligible mutual funds within a single Account. Please see the FundSource section of this document for a detailed description of these FundSource Optimal Blends.

Customized Portfolios Fixed Income Portfolios within Personalized UMA

Customized Portfolios is a separate investment advisory Program offered by WFA that offers Fixed Income Portfolios that are also available in Personalized UMA. The Customized Portfolios Program is described in detail later in this document.

Personalized UMA - Additional Information

WFII Strategies are not subject to the same due diligence process that is applied to other unaffiliated Managers or strategies that participate in Personalized UMA. While WFII performs due diligence on the mutual funds included on the FundSource roster of mutual funds, they do not perform due diligence specific to each FundSource Optimal Blend for inclusion in the Personalized UMA Program.

ETFs and ETNs are passively managed portfolios designed to track the performance of a basket of securities or a certain index. ETFs trade on an exchange the way individual stocks do. In simplest terms, ETFs are passively managed "baskets" of securities that are designed to closely track the performance of specific indices, market sectors, or industries. ETFs should not be confused with open- end mutual funds, from which they differ in significant ways. Unlike open-end mutual funds, ETFs are priced and can be bought and sold throughout the trading day. Open-end mutual funds, which are used in the Allocation Advisors Active/Passive Portfolios, generally have just one price per day, i.e., the net asset value ("NAV"), which is computed after the market close.

Smart Beta ETFs seek to enhance portfolio construction by weighting underlying securities by means other than just the size of the companies. These alternative ways to weight portfolio constituents can employ some of the same screening processes and optimization techniques used by active managers, but with systematic approaches to track referenced benchmarks which can help to potentially reduce fund expenses in relation to fully active management.

ETNs, like ETFs, trade on an exchange like stocks. ETNs are unsecured debt securities that are linked to the total return of a market index. Investors receive a cash payment at the scheduled maturity or early redemption, based on the performance of the index less investor fees. Unlike mutual funds that are required to make capital gain distributions to shareholders, an investor will only recognize capital gains or losses upon the sale, redemption or maturity of the ETN.

Passive investments, or more systematically managed investments, typically have lower embedded costs than actively managed investments. As a result, the embedded costs of the underlying securities will be less when the portfolio allocation is tilted more towards passively managed investments and increase when the portfolio manager shifts towards actively managed investments. Utilizing our same asset allocation model with only passive investments, as offered through one of WFA’s other Allocation Advisor Portfolios, could potentially provide similar investment results at a lower cost to you. In addition, mutual funds typically pay additional compensation to WFA that ETFs do not. When certain investments are similarly situated, the difference in financial arrangements between ETFs and mutual funds creates a potential conflict of interest in that WFA has an incentive to weight the Portfolio with securities that pay WFA additional compensation. WFA intends, however, to make all investment decisions independent of such financial considerations and based solely on their obligations to consider your objectives and needs.

Personalized UMA Program Fee

The Program Fee for Personalized UMA Accounts is only offered on a wrap-fee basis, covering WFA’s execution, consulting and custodial services as well as each Manager's fee for services. We negotiate each Manager's portion of the Program fee with the Manager based on a variety of factors, including the amount of data-processing facilities, software and other overhead interface believed necessary. We compensate Managers and Model Managers between 0.00% and 0.50% annually based on total aggregate Client dollars with each Manager. Based on our Programs and Manager compensation structure, your FA has an incentive to recommend a Program and/or Manager, including affiliated Managers, where they retain a greater portion of the fee although your total Program fee remains the same. While the use of certain Managers or strategies costs WFA less, they intend to make all recommendations independent of such fee considerations and based solely on their obligations to consider your objectives and needs.

In addition, mutual funds and ETFs have fees associated with them that you will pay above and beyond the Program Fee. These fees are embedded within the price of the mutual fund or ETF. Please refer to the prospectus for specific fees associated with a given mutual fund or ETF.

The current standard Program Fee for the Personalized UMA Program, which is negotiable, is shown below. Some Accounts opened prior to September 15, 2018 are subject to a different Program Fee or Minimum Fee. Please consult the Program Features and Fee Schedule of your Client Agreement.

2. FundSource

FundSource is a discretionary investment advisory Program that offers a broad array of mutual funds that invest in and across different investment asset classes and employ varied approaches to investment management. WFA has created a number of "Optimal Blends" that offer managed portfolios of recommended funds, based on due diligence and asset allocation guidance provided by their affiliate, WFII, and market exposures and fund combinations that we believe are appropriate for a number of different investment objectives. Based on your investment objectives, financial circumstances and risk tolerance, your Financial Advisor will recommend either an Optimal Blend or a Customized Blend, where you select a target allocation in consultation with your Pinnacle IAR. Once you choose an Optimal or Customized Blend, the assets in your Account will be invested by your Pinnacle IAR on a discretionary basis.

The Optimal Blends are built based on specified investment objectives, risk/return profiles and/or targeted asset allocations incorporating various exposures to the following major asset classes: cash alternatives, commodities, and domestic and international equity and fixed income securities. The stated investment objectives and/or allocation guidelines for the Optimal Blends provide the general basis by which these portfolios will be managed. The allocation targets are generally based on longer- term risk/return assumptions for varied asset classes or investment strategies and change from time to time in light of new research and analysis. The asset allocation guidelines and risk/return objectives are selected such that the Conservative Income model would be expected to generally have the lowest long-term investment risk, based on historical average risk levels, but also the lowest expected return. As an investor moves to models with higher allocations in equities or other higher-risk assets, historical averages suggest that expected investment risk and potential return increase. The funds and allocations are modified from time to time based upon changes in asset allocation guidance or our assessment of factors impacting individual funds or particular combinations. A detailed description of the various Optimal Blends is located below. For more information about our mutual fund due diligence process, please see the "Portfolio Manager Selection and Evaluation" section of this document.

The target allocation for Customized Blends is determined at the time your Account is established in the FundSource Program. WFA may make discretionary fund replacements to your Customized Blend if a fund is removed from our recommended list. Other changes to your asset allocation or target allocations will be confirmed with a written notification. Additions to and withdrawals from your Account will generally be allocated based on the target allocation you established for the Customized Blend.

Rebalance Trading System

Fluctuations in the market value of assets, as well as other factors, will affect the actual fund allocation at any given time. The Rebalance Trading System reviews the actual allocation of funds in your mutual fund portfolios versus the target allocation established for your Account. Generally, subject to certain minimum constraints, if any of the funds in your Account vary by more than the established percentages from your Target Allocation on a cycle rebalance date, WFA will rebalance the Account by initiating sell and buy transactions. WFA has the ability to change these tolerance percentages without notice. You are aware that any transactions initiated to rebalance these assets will cause you to incur tax consequences.

WFA will conduct periodic reviews, and you can request that a review be done on demand. WFA will generally conduct reviews in FundSource Accounts on an annual basis. In addition, you can select to have annual, semi-annual or quarterly rebalance reviews conducted for FundSource Accounts. Finally, if you direct your Pinnacle IAR to, he/she can use the Rebalance Trading System to allocate any contributions to or withdrawals from the Account based on the fund targets specified for the Account. The Rebalance Trading System will not rebalance any assets that are not offered through the Programs (i.e., "Non-Program Assets"). For more information about Non-Program Assets, please see the “Other Account Fees” section of this document.

Description of FundSource® Optimal Blends

As stated above, WFA has created a number of "Optimal Blends" from the roster of Recommended Funds representing the target allocations and/or fund combinations that WFA believe are appropriate for a number of identified investment objectives. Additional information regarding the criteria used to select funds for the Roster and inclusion in “Optimal Blends” can be found in the "Portfolio Manager Selection and Evaluation" section.

WFA offers the Classic, Tax Managed, Core American, Foundations, Optimal Blends with Alternatives, and Pathways Series of FundSource Optimal Blends in portfolios that each correspond to one of our 9 investment objectives. The 9 investment objectives are Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth, and Aggressive Growth. Descriptions of these investment objectives can be found earlier in this document in the “Personalized UMA” section of this document under “Investment Objective Based Optimal Blends”. FundSource Optimal Blends are the same as the descriptions for the Personalized UMA Investment Objective Based Optimal Blends; however, the asset allocation for these FundSource Optimal Blends is achieved solely through mutual funds.

Foundations® Optimal Blends

WFA offers nine Foundations Optimal Blends. The Foundations portfolios are constructed using the firm's strategic allocation strategy framework with an overlay that allows the portfolio team to opportunistically over/under weight portfolio allocations to take advantage of Wells Fargo Investment Institute’s capital market outlook over a forward looking 6–18-month period. Portfolios will typically hold 8-15 mutual funds and dynamically provide investors with diversification across multiple asset classes, investment styles and market sectors over a market cycle. Due to the ability to over or underweight certain asset classes or investment styles, the Foundations portfolios typically experience more frequent rebalancing than standard FundSource Optimal Blends. Foundations Blends are available for a diverse range of client investment objectives that include: Conservative Income, Moderate Income, Aggressive Income, Conservative Growth & Income, Moderate Growth & Income, Aggressive Growth & Income, Conservative Growth, Moderate Growth and Aggressive Growth. The Foundations Optimal Blends are available at a $10,000 investment minimum.

Tax Managed Optimal Blends

(Constructed the same as the portfolios above with tax sensitivity considered as stated below.) To complement the FundSource Optimal Blends, WFA offers FundSource Tax Managed Optimal Blends. The Tax Managed blends are asset allocation portfolios intended for investors with tax sensitivity. These blends use municipal bond funds where possible within fixed income allocations. The equity funds within these blends tend to exhibit lower portfolio turnover or employ other means intended to increase tax efficiency. WFA will generally favor funds that have a bottom-up approach to investing (focused on individual company considerations, merits and investment holding periods) as opposed to a top-down approach (more macro-economic focused) that could result in periods of substantially greater turnover. Since tax efficiency is not typically a concern in qualified accounts, the Tax Managed Optimal Blends are not recommended for IRA or ERISA accounts (Note: WFA does not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that has tax consequences).

Core American Optimal Blends

WFA offers eight Core American blends. The directive for the Core American blends is to maintain a core allocation to mutual funds from the American Funds Family of funds, but with the remaining assets (generally 50% or more) being allocated among other complementary FundSource recommended funds. The Core American blends include the Core American Conservative Growth & Income blend, Core American Moderate Growth & Income blend, Core American Aggressive Growth & Income blend, Core American Conservative Growth blend, Core American Moderate Growth blend, Core American Growth blend, Core American Aggressive Growth blend and Core American Global Moderate Growth blend.

Pathways (SM) Optimal Blends

Pathways Optimal Blends is a model portfolio series within the FundSource® Program that allows you to select an Optimal Blend constructed by the Russell Investment Management Company ("Russell"), using Russell multi-manager mutual funds. Russell, which is registered under the Investment Company Act of 1940, evaluates and retains one or more investment management organizations to manage the Russell funds that make up the Pathways List mutual funds that are used in the Pathways Optimal Blends. The portfolio series offers Clients access to various diversified risk-based allocations to meet specific investment objectives for taxable and tax-managed Accounts. Russell Investments is acting as a model provider to WFA. When you select a Pathways Optimal Blend, you appoint WFA to manage your portfolio on a discretionary basis.

WFA offers nine investment objective-based Pathways Optimal Blend portfolios (descriptions of these investment objectives can be found earlier in this document). WFA also offers the Long-Term Conservative Equity Pathways Optimal Blend and the Tax Managed Optimal Blends, descriptions of which can be found below as well.

Pathways Long Term Conservative Equity: The Long-Term Conservative Equity blend is appropriate for long-term investors seeking growth of capital with a minimum need for current income. Investors are willing to accept moderate short-term fluctuation in portfolio returns in order to achieve above-average, long-term capital appreciation. Equities are typically 100% of the allocation, with a significant allocation to large cap and domestic equities.

Pathways Tax Managed Optimal Blends

To complement the Pathways Optimal Blends, WFA offers Pathways Tax Managed Optimal Blends. The Pathways Tax Managed blends are asset allocation portfolios intended for investors with tax sensitivity. These blends use Russell Investments tax-exempt bond funds to generate tax-free income and diversify portfolio risks. The Russell Tax-Managed funds utilize a multi-manager approach with a tax overly to provide tax efficiency by attempting to minimize capital gains distributions from the funds and increase after-tax returns. Since tax efficiency is not typically a concern in qualified accounts, the Pathways Tax Managed Optimal Blends are generally not recommended for IRA or ERISA accounts (Note: WFA does not render legal, accounting, or tax advice. Please consult your tax or legal advisors before taking any action that has tax consequences).

Optimal Blends with Alternatives

Optimal Blends with Alternatives are fully allocated, strategic asset allocation portfolios. These models include an allocation to Liquid Alternative mutual funds to enhance portfolio diversification and manage risk by using non-traditional investment strategies such as long-short, absolute return, managed futures, currency, global macro and risk arbitrage. Alternative investment funds can use derivatives to gain exposure to certain asset classes.

Alternative Strategies Blends

The Alternative Strategies Model seeks to offer lower volatility, absolute-return-focused investment results that are relatively independent of those generated by long-only exposures to traditional equity and fixed income asset classes. As such, the model is ideally suited to complement portfolios of traditional long-only assets as a means to further enhance portfolio diversification, reduce overall portfolio volatility and better protect capital in periods of prolonged market distress, thereby offering the potential for enhanced risk/reward outcomes over a full market cycle. The model's lower volatility characteristics are generally expected to result in relatively attractive downside protection during sustained difficult market environments, but limit participation during pronounced upmarket moves. To achieve its objectives, the model's individual constituents frequently incorporate more sophisticated trading and portfolio management strategies, including short-selling and the use of leverage and derivative securities.

Multi-Strategy Blends

Multi-Strategy Income

The Multi-Strategy Income Optimal Blend is a diversified income-oriented solution that uses a multiple asset class approach to provide investors with relatively attractive current income/yield versus more traditional fixed income strategies. While current income is emphasized, the blend also seeks moderate investment/income growth to help preserve longer-term purchasing power. The strategy will allocate a significant portion of its investments to managers that employ more flexible allocation strategies that include non-traditional income and alternative investments in an effort to enhance yield, increase diversification and/or improve the managers' ability to manage risk. While emphasis is placed on a full range of fixed income strategies, equity-income oriented investments will be included to help provide growth of income and capital. The blend is appropriate for investors seeking higher current income through a more dynamic and broadly diversified fixed income-oriented allocation, but with the maintenance of moderate equity exposure for enhanced diversification and growth potential.

Multi-Strategy Balanced Income

The Multi-Strategy Balanced Income Optimal Blend is a diversified income-oriented solution that uses a multiple asset class approach that is broadly diversified across both fixed income and income-oriented equities. While current income is emphasized, the blend also seeks to balance growth of income and capital to preserve longer-term purchasing power. The strategy will allocate a significant portion of its investments to managers that employ more flexible allocation strategies that include non-traditional income and alternative investments to enhance yield, increase diversification and/or improve managers' ability to manage risk. To achieve its current yield and growing income goals, the strategy will typically maintain a more balanced equity and fixed income allocation. The blend is appropriate for investors seeking higher current income while also maintaining the potential for moderate growth and a risk profile that is commensurate with a more balanced equity and fixed income allocation.

Capital Stability

The Capital Stability Optimal Blend is a diversified portfolio designed for capital stability and preservation of capital. While capital stability is the primary investment objective, the portfolio seeks a modest level of current income. The strategy will primarily invest in lower volatility investment grade fixed income and cash alternatives but will allocate a portion of the assets to mutual funds that employ more flexible allocation strategies that include liquid alternative investments in an effort to enhance yield, increase diversification and reduce downside volatility. The blend is appropriate for investors seeking stability of capital over a short-term investment horizon (3-12 months) with current income/yield a secondary consideration.

Market Timing in Mutual Funds

Market timing is defined as excessive short-term purchase and sale transactions or exchanges with the intention of capturing short- term profits in violation of the terms of the fund's prospectus. WFA will not support market timing strategies or activities for mutual funds or any extreme trading activity that they deem, at their sole discretion or by direction of the fund company, detrimental to the interest of average mutual fund shareholders, or contrary to the policies or interest of mutual fund companies with whom WFA maintain relationships. WFA, at our sole discretion or by direction of the fund company, reserve the right to reject any transactions or to assess a redemption fee for any partial or full liquidation executed in which the Account trading appears to be inconsistent with the fund's prospectus as mandated by the fund company. Furthermore, when asked by a fund company, WFA will cooperate and aid in its attempt to identify and impede the efforts of anyone engaged in market timing or extreme trading activity. If the fund company notifies WFA to reject or cancel a trade for any reason, WFA reserves the right to cancel it without prior notice to you or any other Client. WFA will not be held accountable for any losses resulting from market timing activities or any action taken under our market timing policies. Finally, the frequency of mutual fund transactions and exchanges is subject to any limits established by the applicable mutual funds and us.

FundSource Program Fee

The current standard Program Fee for the FundSource Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum Program Fee of $75 per quarter, with the exception of the Foundations model series, which will be charged a minimum Program Fee of $37.50 per quarter due to the lower initial investment minimum. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the standard Program Fee stated above, or the Program Fee stated in your Client Agreement. At WFA's discretion, they can choose to waive the minimum fee.

In certain limited instances, WFA can negotiate a customized Program Fee schedule with Clients that is different than the Program Fee described herein. In these instances, Clients will be required to sign an additional addendum that will detail their Program Fee schedule.

The initial Program Fee is calculated as of the date that the Account is accepted by WFA into the Program and covers the remainder of the calendar quarter. There is typically a short delay between Account inception and initial investment transactions. Subsequent Program Fees will be determined for calendar quarter periods and shall be calculated on the basis of the Account Value on the last business day of the prior calendar quarter.

No fee adjustment will be made to the Program Fee during any fee period for appreciation or depreciation in the value of the assets in your Account during that period. The Account will be charged or refunded a prorated quarterly Program Fee on any net additions or net withdrawals in the Account during a month. Program Fees will be charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least $40 for that quarter. Program Fees will be assessed in the month following the net addition or net withdrawal. Fees are based on the value of the assets in your Account on the date stated and other than those fees we will not otherwise be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of your funds (i.e., performance fee). No adjustment will be made to the fee for cash and/or securities added or withdrawn if the account terminates prior to WFA's monthly fee adjustment for such activity.

3. Customized Portfolios

Under the Customized Portfolios Program, WFA and your Pinnacle IAR, will assist you in selecting from portfolios based on the investment strategies of WFA's affiliate, Wells Fargo Investment Institute, Inc. ("WFII").

Fixed Income Portfolios

The fixed income portfolios within the Customized Portfolios Program are managed on a fully discretionary basis by WFII. WFII handles the day-to-day investment management of your Account in accordance with your stated investment objectives. These fixed income portfolios specialize in meeting the unique needs of sophisticated individuals and select institutions and follow a disciplined portfolio management approach. The portfolios are customized based on several factors including income and liquidity needs, risk tolerance, tax status and time horizon. Portfolio Managers will manage to the appropriate duration while adhering to the maximum effective maturity allowed for the strategy using a full range of investment grade bonds. While not typical, in some instances the portfolio manager will find it necessary or preferable to hold bond positions that are below investment grade. Portfolio Managers will use discretion as to the timing of the disposition (or retention) of positions used to fund an Account initially or positions that are transferred into an Account. Client Accounts are managed separately and are not pooled.

Custom Option Overlay Portfolios

The options traded in Custom Option Overlay Portfolios within the Customized Portfolios Program are managed on a fully discretionary basis by WFII. WFII handles the day-to-day investment management of the options in Accounts in accordance with a client's stated investment objectives. Clients are responsible for selecting and monitoring the non-options positions in Accounts upon which an options overlay strategy will be implemented. These custom option overlay strategies seek to provide income alternatives and/or hedge downside risk on your selected securities. The type of option overlay strategy employed will be determined by the Client's unique needs and stated investment objectives. The portfolios are customized based on several factors including income and liquidity needs, risk tolerance, tax status and time horizon. Portfolio Managers will use covered calls or protective puts (or a combination of both) based on these factors.

Depending on the strategy implemented, covered calls can limit the upside potential of the securities held in your Account. In certain instances, an option will be assigned and you will be required to sell securities, thus creating realized gains/losses.

The purchaser of a protective put runs the risk of losing the entire value of the purchased option as options become valueless upon expiration if they are not exercised or sold prior to expiration.

WFII will generally only exercise discretionary authority to trade non-options positions in connection with an effort to achieve alignment between an account's holding levels of such positions and standard option contract values; a need or desire to liquidate such positions in order to raise cash for implementation of the options overlay strategy; or Client directed cash flow activity in an Account. WFII will not exercise discretionary authority to trade non-options positions as part of an effort to implement a diversified or objective driven strategy with respect to such holdings. Clients are responsible for selecting and monitoring the non-options positions included in Accounts and neither WFII nor WFA assume responsibility for advising clients on the merits of holding or selling the non-options positions Clients select for inclusion in the Accounts. Depending on the nature of the non-option holdings a client selects for inclusion in the Account and on the custom options overlay strategy selected by the Client, the Account may not be well diversified and may be subject to associated investment risks, including risk of loss and volatility.

For more information, please see the options disclosure document titled "Characteristics & Risks of Standardized Options", which can be provided by your IAR.

The current standard Program Fee for the Customized Portfolio Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum Program Fee of $250 per quarter. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the standard Program Fee stated above, or the Program Fee stated in your Client Agreement. At WFA’s discretion, they can choose to waive the minimum fee.

4. Private Advisor Network

Under the Private Advisor Network Program, WFA will assist you in identifying a Manager to advise and counsel you relative to your investment of assets. The intent of the Program is to offer a roster of Managers representing a broad array of investment classes and styles from which you select a Private Advisor Network Managers to handle the day-to-day management of your Account(s). Private Advisor Network services typically include matching the personal and financial data you provide with a database of Managers and providing reports to allow for periodic evaluation and comparison of Account performance with objectives.

Under the Private Advisor Network Program, we will provide information on Managers that appear to meet your needs. Private Advisor Network Managers classified as "Cleared" in our Program have provided sufficient information to our affiliate, WFII, for review and have passed their screening qualifications on an ongoing basis. Some of the factors that are considered for clearing a manager include track record, number of investment professionals, assets under management, and legal and disciplinary history.

Those Private Advisor Network Managers not classified as "Cleared" have not met all or some of the screening qualifications, but certain Clients have specifically requested their inclusion. Generally in these cases, Clients have a pre-existing relationship with the Manager that they'd like to continue. If WFA can accommodate such a request, these Managers are not included in our Manager identification or in the ongoing review processes described above.

WFA will provide you with recommendations regarding the retention or replacement of your Manager. Reasons for a replacement recommendation include, but are not limited to, a material change in the adviser's professional staff, legal and disciplinary issues and/or unexplained poor performance. You acknowledge that WFA's recommendations will be based only on the information WFA or WFII have concerning your assets under the Private Advisor Network Program, without regard to the composition of your total portfolio, diversification or liquidity needs and that such recommendations will not serve as a primary basis for investment decisions with respect to your assets. WFA and WFII have the ability to remove or change the status of the Private Advisor Network Manager in the Program. If WFA does remove your current Private Advisor Network Manager from the Program, they will suggest an alternative if available, for your consideration. As an accommodation, in the event of a status change, you have the option to retain your current Private Advisor Network Manager, but you will be notified in writing that the Manager no longer meets the minimum requirements of the Program.

Under the Private Advisor Network Program, you grant the Manager complete discretionary trading authority and authorize the Manager to handle the day-to-day investment management of your Account in accordance with the separate management agreement between you and the Manager. WFA has no discretionary trading authority with respect to such Accounts. Information collected by WFA regarding Private Advisor Network's Managers is believed to be reliable and accurate, but they do not independently review or verify the information. WFA will include affiliated managers in the roster of Cleared managers. They have the same screening qualifications for these managers that they do for their unaffiliated managers.

While performance results are generally reported to us through advisers on a standard gross of fees or commission basis, WFA does not audit or verify that that these results are calculated on a uniform or consistent basis as provided by the adviser directly to us or through the consulting service utilized by them. Other than in connection with our consulting responsibilities, WFA does not assume responsibility for the conduct of the Managers you select, including their performance or compliance with laws or regulations. You are advised and should understand that:

- an adviser's past performance is no guarantee of future results;
- certain market and/or interest rate risk can adversely affect any adviser's objectives and strategies, and could cause a loss in your Account; and
- risk parameter or comparative index selections provided for Accounts are guidelines only; there is no guarantee that they will be met or exceeded.

Some Managers use covered calls or protective puts (or a combination of both) in your portfolio. Check with your Manager or Financial Advisor to confirm the use of options. Depending on the strategy implemented, covered calls can limit the upside potential of the securities held in your Account. In certain instances, options will be assigned and you will be required to sell securities, thus creating realized gains/losses. The purchaser of a protective put runs the risk of losing the entire value of the purchased option as options become valueless upon expiration if they are not exercised or sold prior to expiration.

Managers Using Advanced Option Strategies

For managers that use advanced option strategies, such as an iron condor strategy, Clients are required to sign an Advanced Option Strategy Addendum to the Program Features, maintain a separate collateral account, be approved for a Level 6 options trading level and have an investment objective of Trading and Speculation.

If the collateral for this account participates in a WFA-sponsored investment advisory Program, your collateral Account is also subject to the standard fees as described in the applicable Program Features and Investment Advisory Disclosure Document.

Option writing can result in losses in your Account; however the losses can be limited by the purchase of options on the same underlying security. However, even when the writer buys a corresponding hedging option position, the risks can still be significant.

The purchaser of a call or put runs the risk of losing the entire value of the purchased option as options become valueless upon expiration if they are not exercised or sold prior to expiration.

For more information, please see the options disclosure document titled "Characteristics & Risks of Standardized Options", which can be provided by your IAR.

Private Advisor Network Fees

You have a choice of two options by which to compensate us for Private Advisor Network services:

I. *Program Fee:* Payment of a Program Fee for both Private Advisor Network services and execution services. WFA will impose no separate charge for brokerage commissions on agency trades or markups or markdowns on principal transactions, except mutual fund purchases, if any. The current standard Program Fee for the Private Advisor Network Program, which is negotiable, is shown below. Some Accounts opened prior to June 9, 2017 are subject to a different fee schedule. Please consult the Program Features and Fee.

   Program Fee Note: For Accounts invested in an Advanced Option Strategy, the advisory Program Fee and Platform Fee are calculated based on a target notional value as detailed in the Advanced Option Strategy Addendum to the Program Features. The target notional value is the agreed upon value of broad-based equity market index exposure that the underlying option contracts in the portfolio should represent. The target notional value does not change over time unless a new value is agreed upon in writing. The actual value of the index exposure in your Account can be significantly higher or lower than the target notional value.

   There is a minimum Program Fee of $375 per quarter. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the standard Program Fee stated above, or the Program Fee stated in your Client Agreement. At our discretion, we can choose to waive the minimum fee.

II. Ex*ecution Schedule*: (No separate charge for Private Advisor Network services) Under the Execution Schedule, you will pay for Private Advisor Network services by paying commissions for each transaction in the account at our normal commission rate for such agency transactions and at the normal markup or markdown imposed on Client Accounts for principal transactions. You will also be subject to any other fees associated with our standard brokerage accounts, including postage and handling fees, transfer taxes, exchange fees, and any other fees required by law.

Neither the Execution Schedule nor Program Fee includes the advisory fees of the third-party Manager. You pay for the services of your Manager separately. You authorize WFA to pay the separate investment advisory management fee invoiced by the Manager by debiting your Account accordingly. It is your responsibility to determine if any such invoice from the Manager is proper or if the fee amount charged is accurate. You have the option to revoke our authorization to pay the Manager fee on your behalf any time by written notice to WFA.

Private Advisor Network Non-Execution Accounts: For Clients wishing to utilize the selection or evaluation monitoring services of the Private Advisor Network without any execution service, the fees for such accounts, payment schedules and refunds thereof are negotiated on a case-by-case basis and are determined as a percentage of assets under management, an annual fee or by consideration of other factors.

Program	Standard Program Fee	Minimum Annual Fee
Personalized UMA Strategy		
Optimal Blend	2.50%	$1,500
Custom Blend	2.50%	Based on strategy selections. See Below
• Individual Mutual Fund) If used as an investment in a Custom Blend)	2.00%	$50
• Individual ETF) If used as an investment in a Custom Blend)	2.00%	$50
• Advisory Annuity (If used as an investment in a Custom Blend)	1.50%	$500
Personalized UMA Single Strategy or used as a sleeve within a Personalized UMA Multi Strategy Account		
SMA Strategies – Under $100,000 Minimum	2.50%	$1,000
SMA Strategies - $100,000 Minimum	2.50%	$1,500
Allocation Advisors Strategies		
• Strategic ETF, CAAP Plus, Tactical ETF, Active/Passive, Morningstar Strategic ETF, Morningstar High Income, Laffer Global Portfolio, Laffer Dynamic U.S. Inflation	2.25%	$500
• ESG Aware, Intuitive Investor ETF, Tactical Active/Passive	2.10%	$150
Wells Fargo Compass Strategies	2.25%	$1,000
WFII Social Impact Investing Strategies	2.25%	$1,000
FundSource Optimal Blend Strategies		
• Standard, Tax Managed, Capital Stability, Core American, Alternatives, Multi-Strategy, Pathways	2.00%	$300
• Foundations	2.00%	$150

Custom Blend note: The minimum annual fee for a Multi Strategy Personalized UMA Custom Blend will vary based on the strategies selected. For those Custom Blends that utilize more than one strategy, the minimum annual fee of the strategies selected will be summed together, though will never exceed $1,500 annually. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the Standard Program Fee stated above or the Program Fee stated in your Program Features and Fee Schedule. At WFA's discretion, they can choose to waive the minimum fee. As shown in the table above, while the Standard Program Fee for a Personalized UMA Multi Strategy Account is 2.50%. Different strategies and/or investments available within the Program have a Standard Fee that is less than 2.50% which will impact the actual fee for your Account. If, for instance, you select a Multi Strategy Custom Blend with 50% of the Account allocated to an SMA strategy (Standard Fee of 2.50%), 25% of the Account allocated to a Wells Fargo Compass strategy (Standard Fee of 2.25%) and 25% of the Account allocated to a FundSource Optimal Blend (Standard Fee of 2.00%), your Standard Fee would be 2.3125% due to the weighting and Standard Fee for each strategy/investment within the Account. As a result of the different fees associated with the different strategies/investments, your actual fee rate could vary quarter to quarter based on the current value of assets in each strategy/investment at the end of each quarter. This could cause your actual fee rate to be greater than or less than the fee rate shown on your Program Features and Fee Schedule. In a Personalized UMA Single Strategy Account, your Standard Fee will be based on the Strategy selected, as shown in the table above.

A. Private Investment Management ("PIM")

Private Investment Management Program ("PIM") is a FA Directed Program sponsored by WFA in which your Pinnacle IAR (called Portfolio Managers) provide investment advisory and brokerage services to your

Account on a discretionary basis. Your Portfolio Manager will recommend a program based on your investment objectives and individual needs.

PIM is based on both fundamental and quantitative research and other independent research. Allowable securities include stocks, bonds, cash, Program-Eligible mutual funds, ETFs, CEFs, fee-based UITs, CDs and covered options. Program-eligible mutual funds include, at any given time, asset allocation funds, alternative strategy mutual funds or other select funds that utilize derivatives, short-selling, leverage, and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns, or facilitate certain market exposures or more dynamic allocation changes. Individual PIM Portfolio Managers develop specific investment strategies using a mix of these analytic methods. They also establish quality and concentration requirements to provide overall discipline. Such strategies ordinarily include long and short-term securities purchases and, depending on your objectives and the Portfolio Manager's investment philosophy, supplemental covered option writing. In special circumstances, the strategies also include margin transactions, other option strategies, and trading or short sale transactions.

Some Portfolio Managers follow the investment recommendations that are the basis for investment decisions for one, or more, Wells Fargo Compass strategies available within the Personalized UMA Program for some, or all, assets in their program accounts. Personalized UMA is another advisory service offered by WFA. Advisory fees associated with Wells Fargo Compass strategies within the Personalized UMA Programs are not charged to clients whose assets are invested following the Wells Fargo Compass strategy investment recommendations. Clients whose accounts are invested in whole or in part in accordance with Wells Fargo Compass strategy recommendations should consider placing that portion of their account into a Wells Fargo Compass strategy within the Personalized UMA Program.

WFA, WFII, or third-party research assists in developing security selection models for PIM Portfolio Managers. When seeking to anticipate trends and identify undervalued securities with sound fundamentals, Portfolio Managers for PIM may also use a security selection and portfolio modeling process that incorporates fundamental, technical, and statistical analyses of historical data. Due to any number of factors, including timing of client asset deposits, investment selection process, or client investment needs, certain clients receive different execution prices and investment results.

Clients participating in a Private Investment Management Program Account will pay a total management fee, which is negotiable, and any applicable account fees. Some accounts opened prior to June 9, 2017, are subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

The maximum management fee for a Private Investment Management Program Account shall not exceed 3% of assets under management. After 120 annual trades in your wrap accounts, your IAR will be assessed an elevated internal administration fee (not paid by you), which is a conflict not to make trades in your account. This is mitigated through an annual review of accounts conducted through the Firm's annual advisory review process.
There is a minimum Program Fee of $60 per year. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the Standard Program Fee stated above or the Program Fee in your Client Agreement. At WFA's discretion, they can choose to waive the minimum fee.

Clients participating in the Private Investment Management Program Account may pay more or less than clients might otherwise pay if purchasing the services separately. There are several factors that determine whether such costs would be more or less, including, but not limited to, the following:

- Size of the account
- Types of securities and strategies involved
- Amount of trading effected by the advisor
- Actual costs of such services if purchased separately

The advisory fees charged for the services provided by Pinnacle Investments and your Pinnacle IAR, including research, supplemental advisory, and client-related services offered through the Private Investment Management Program account, may exceed those of other similar programs.

12b-1 fee payments for Private Investment Management Program accounts are credited back to their respective client accounts. Any 12b-1 fees received by Pinnacle Investments will be credited back to the respective client accounts within 95-days unless the position is excluded from advisory billing.

Program	Standard Program Fee	Minimum Annual Fee
Private Investment Management ("PIM")	3.00%	$1,000

B. Asset Advisor

Asset Advisor is a non-discretionary, client-directed investment program sponsored by WFA in which your Pinnacle IAR provides investment recommendations based on your investment objectives, financial circumstances, and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your account.

Most types of securities are eligible for purchase in an Asset Advisor Account including, but not limited to, common and preferred stocks, exchange-traded funds ("ETF"), closed-end funds ("CEF"), fee-based unit investment trusts ("UIT"), corporate and government bonds, certificates of deposit ("CD"), options, structured products, certain open-end mutual funds whose shares can be purchased at net asset value, certain wrap class alternative investments, such as hedge funds and managed futures funds, and certain wrap class advisory annuities. Collectively, these are referred to as "Program Assets". Program eligible mutual funds include, at any given time, asset allocation funds, alternative strategy mutual funds or other select funds that utilize derivatives, short-selling, leverage, and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes.

Hedge funds and managed futures are not suitable for all investors. Hedge funds are complex investment vehicles that often use leverage and other speculative investment practices, such as short sales, options, derivatives, futures and illiquid investments that could increase the risk of investment loss. Managed futures are speculative investments that are subject to a significant amount of risk. Prospective investors must be provided a risk-disclosure statement. This Disclosure Document is not a solicitation, recommendation, or invitation to invest in alternative investments and is intended solely to disclose the availability of alternative investments within the Asset Advisor Program. Over time, your total expenses to own an alternative investment inside your investment advisory account will be greater than the total expenses to own a similar alternative investment outside your investment advisory account.

Certain assets, such as commodity futures contracts, options on such contracts, non-eligible annuities, limited partnership interests, and mutual funds that cannot be purchased at net asset value are not eligible as Program Assets and are referred to collectively as "Excluded Assets" (also known as "Non-Program Assets"). If you purchase or sell Excluded Assets in your account, these transactions will incur commissions or other charges. This is mitigated through an alert for trades placed in advisory accounts that incur a commission.

While new-issue CDs are an eligible Program Asset, the yield of new-issue CDs takes into account a sales concession in order to compensate the brokerage firms that sell the CDs. For certain advisory accounts, the underwriter retains the sales concession. Although we do not receive the sales concession, it has an impact on the overall yield paid to you. Since we charge an advisory fee on all eligible assets within an advisory account, you are effectively being charged both the sales concession (retained by the underwriter) and the advisory fee on the CD. These charges reduce overall yield on the CD and, in some cases, this results in a negative yield. You should be aware that you could obtain the same CDs without being subject to the advisory fee if you purchase it in a non-advisory brokerage account.

Clients participating in the Asset Advisor Program will pay a total management fee, which is negotiable, and any applicable account fees. Some accounts opened prior to June 9, 2017, are subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

The maximum management fee for an Asset Advisor Program Account shall not exceed 3% of assets under management. After 120 annual trades in your wrap accounts, your Pinnacle IAR will be assessed an elevated internal administration fee (not paid by you), which is a conflict not to make trades in your account. This is mitigated through an annual review of accounts conducted through the Firm’s annual advisory review process.

There is a minimum management fee of $60 per year. For accounts opened prior to May 2011, the minimum management fee is $250 per quarter. You should be aware that the imposition of the minimum management fee could cause your overall management fee (expressed as a percentage) to be greater than the maximum management fee stated above, or the Program Fee stated in your Client Agreement. At our discretion, WFA can choose to waive the minimum fee.

Certain Asset Advisor clients are eligible to participate in certain allowable syndicate/new issue transactions. Positions purchased via syndicate/new issue transactions within your Asset Advisor account will be excluded from the calculation of the Asset Advisor Program fee for a period of 12 months.

For advisory annuities, consider any charges and fees, including mortality and expense charges, administrative charges, and investment management fees and applicable 12b-1 fees for the portfolio options. These charges and fees will reduce the value of your account and the return on your investment. If you have selected a rider, or optional feature, there is typically an additional cost. Annuity contracts are available in several price structures at Pinnacle Investments. In addition to the advisory annuity contract fees and expenses, you will be charged an advisory fee based on the terms set forth in your advisory Client Agreement. This advisory fee will not be taken from the variable annuity contract. Over time, your total expenses to own an advisory annuity in your investment advisory account will exceed the total expenses to own a similar annuity outside of your investment advisory account.

Clients participating in the Asset Advisor Program may pay more or less than clients might otherwise pay if purchasing the services separately. There are several factors that determine whether such costs would be more or less, including, but not limited to, the following:

- Size of the account
- Types of securities and strategies involved
- Amount of trading effected by the advisor
- Actual costs of such services if purchased separately

The advisory fees charged for the services provided by Pinnacle Investments and your Pinnacle IAR, including research, supplemental advisory, and client-related services offered through the Asset Advisor Program account, may exceed those of other similar programs.

Pinnacle Investments credits 12b-1 fee payments received back to all Pinnacle Investments Asset Advisor Program accounts. 12b-1 fees received by Pinnacle Investments will be credited back to client accounts within 95-days unless the position is excluded from advisory billing.

Program	**Standard Program Fee**	**Minimum Annual Fee**
Asset Advisor	3.00%	$500

C. CustomChoice

CustomChoice is a non-discretionary investment advisory program sponsored by WFA designed to help you allocate your assets among open-end mutual funds in accordance with your individual investment goals, objectives, and expectations. Based on your investment objectives and risk tolerance, your Pinnacle IAR will recommend an appropriate mix of WFA affiliated or unaffiliated open- end mutual funds and money market funds and target allocation percentages. Funds on the Recommended List and Allowable List (described more fully below in the “Portfolio Manager Selection and Evaluation” section) can be included. Program eligible mutual funds include, at any given time, asset allocation funds, alternative strategy funds, or other select funds that utilize derivatives, short-selling, leverage, and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns, or facilitate certain market exposures or more dynamic allocation changes.

You have the option of accepting any of WFA’s, or your Pinnacle IAR’s, recommendations or selecting an alternative combination of funds. WFA, and your Pinnacle IAR, will implement your investment decisions, but will not have investment discretion over your account, except for the limited discretion to rebalance your target asset allocation if you authorize us to do so. Over time, as changes occur in the financial markets and/or your investment objectives and circumstances, WFA, or your Pinnacle IAR may recommend changes in your portfolio. In making these recommendations, we will take the updated information into consideration. In a taxable account, you are advised that your decisions relating to investments in mutual funds will have tax consequences that should be discussed with your tax advisor.

In order to maintain your portfolio in conformance with your target allocation, you may authorize us to rebalance your account using WFA’s automated Rebalance Trading System. See the description of the Rebalance Trading System below. Your rebalance options include quarterly, semi-annual, or annual.

Rebalance Trading System. Domestic clients may request periodic rebalancing of the mutual funds in their account. We can rebalance your account either at predetermined intervals (e.g., annually) or when you direct us to do so. The WFA Rebalance Trading System reviews the actual allocation of mutual funds in your Asset Advisor or CustomChoice account versus the target allocation established for your account. Generally, subject to certain minimum constraints, if any of the funds in your account vary by more established percentages from your Target Allocation on the predetermined interval you selected, we will rebalance the account by initiating sell and buy transactions. WFA has the ability to change these tolerance percentages without notice. You are aware that any transactions initiated to rebalance these assets will cause you to incur tax consequences. The Rebalance Trading System will not rebalance any assets that are not offered through the program (i.e., “Excluded Assets or Non-Program Assets”).

Clients participating in a CustomChoice Program account will pay a total management fee, which is negotiable, and any applicable account fees. Some accounts opened prior to June 9, 2017, are subject to a different fee schedule. Please consult the Program Features and Fee Schedule of your Client Agreement.

The maximum management fee for a CustomChoice Program shall not exceed 3% of assets under management. After 120 annual trades in your wrap accounts, your IAR will be assessed an elevated internal administration fee (not paid by you), which is a conflict not to make trades in your account. This is mitigated through an annual review of accounts conducted through the Firm’s annual advisory review process.

There is a minimum management fee of $60 per year. You should be aware that the imposition of the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the Standard Program Fee stated above or the Program Fee in your Client Agreement. At our discretion, we can choose to waive the minimum fee.

Clients participating in the CustomChoice Program account may pay more or less than clients might otherwise pay if purchasing the services separately. There are several factors that determine whether such costs would be more or less, including, but not limited to, the following:

- Size of the account

- Types of securities and strategies involved
- Amount of trading effected by the advisor
- Actual costs of such services if purchased separately

The advisory fees charged for the services provided by Pinnacle Investments and your Pinnacle IAR, including research, supplemental advisory, and client-related services offered through the CustomChoice Program account, may exceed those of other similar programs.

12b-1 fee payments received on CustomChoice Program accounts are credited back to their respective client accounts. Any 12b-1 fees received by Pinnacle Investments on CustomChoice Program accounts will be credited back to client accounts within 95-days unless the position is excluded from advisory billing.

Program	Standard Program Fee	Minimum Annual Fee
Custom Choice	1.75%	$300

Mutual Funds (“Fund(s)”) and Exchange-Traded Funds (ETF’s) in Advisory Programs
Mutual fund companies typically offer multiple share classes of each of their mutual funds with varying levels of fees and expenses. Mutual funds or share classes offered through our advisory Programs are not necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory account, such as individual stock, and bond investments, or ETFs. In addition to the Program fee, you will also bear a proportionate share of each fund’s expenses, including investment management fees that are paid to the fund’s investment adviser. These expenses are an additional expense to you and not covered by the Program fee; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Program fees, when considering any advisory Program and the total compensation we receive. Other funds and share classes may have different charges, fees, and expenses, which may be lower than the charges, fees, and expenses of the funds and share classes made available in the Program. An investor who holds a less expensive share class of a fund will pay lower fees over time - and earn higher investment returns - than an investor who holds a more expensive share class of the same fund.

Margin Balances in Asset Advisor and Custom Choice
When clients use margin accounts, the custodian charges interest on the outstanding margin debit balance. The rate charged on margin balances is set by the Firm. Our Firm receives a portion of this interest. This compensation presents a conflict of interest as it incentivizes us to recommend that clients take on margin loans or maintain larger balances on margin, potentially leading to additional costs for the client. Compensation on margin balances is credited to the Firm and not passed along to IARs. Clients should carefully consider the additional costs and risks associated with maintaining margin balances and we encourage clients to ask questions and fully understand margin before utilizing it.

Mitigation of Conflict
While we seek to act in the best interests of our clients, the receipt of compensation on margin balances presents a conflict. To mitigate this conflict, we:

- Disclose this compensation arrangement to our clients, allowing them to make informed decisions.
- Periodically review the terms of margin balances to ensure they remain competitive.
- Offer alternative investment options or strategies to clients that do not involve margin, if such strategies align with their financial goals.

The compensation for margin balances is credited to the Firm and not passed along to the IARs. Clients should carefully consider the additional costs and risks associated with maintaining margin balances. We encourage clients to ask questions and fully understand these programs before utilizing them.

Priority Credit Line

Our firm offers a Priority Credit Line (PCL), which is designed to provide clients with access to funds by using their investment portfolio as collateral. Below are details regarding the nature, risks, and associated terms of the Priority Credit Line.

1. Features and Benefits:
    - The Priority Credit Line allows clients to borrow funds using their eligible investment assets as collateral, typically at lower interest rates compared to unsecured loans.
    - There are no restrictions on how borrowed funds may be used, providing flexibility to meet personal or investment needs.
    - Interest is charged only on the funds drawn, and clients can access credit as needed, up to the pre-approved credit limit.
2. Collateral and Credit Limit:
    - The amount available under the credit line is based on the value of eligible investments in the client's portfolio. Changes in market conditions may affect the value of these investments, and consequently, the available credit limit.
    - If the collateral value falls, the client may be required to deposit additional funds or securities to maintain the credit line.
3. Risks:
    - Market Risk: The value of the securities used as collateral may fluctuate due to market conditions. A decline in asset value could trigger a margin call, requiring the client to provide additional collateral or repay part of the loan.
    - Liquidity Risk: In certain cases, the sale of assets to meet a margin call may occur under unfavorable market conditions, potentially leading to losses.
    - Interest Rate Risk: Interest rates on the credit line are variable and may increase over time. This could lead to higher borrowing costs.
4. Fees and Costs:
    - Interest is charged on any outstanding balance, and the rate is subject to change based on prevailing market conditions.
    - Clients may also be responsible for other fees, such as late payment fees, account maintenance fees, or fees associated with the liquidation of collateral in the event of default.
5. Conflict of Interest:
    - The rate charged on a PCL is set by the IAR. The firm receives compensation in the form of interest payments or fees related to the Priority Credit Line. This compensation provides an incentive for the firm to recommend the PCL product, which could present a conflict of interest between the firm and the client. A PCL also creates a conflict of interest for the IAR as they may be inclined to recommend the use of a PCL as an alternative to a client taking funds from their account in an effort to keep the client assets under their management as opposed to making a PCL recommendation based solely on the client's best interest.

6. Mitigation of Conflict of Interest:

   - To mitigate this potential conflict, the firm conducts regular reviews of client accounts to ensure that the Priority Credit Line remains appropriate based on the client’s financial objectives and situation. The firm takes into account factors such as investment goals, risk tolerance, and liquidity needs before recommending or maintaining a PCL.

Double Dipping

A potential conflict of interest, referred to as "double dipping," may arise when a client is first sold a commission-based product, such as a mutual fund or annuity, and shortly thereafter, the account or assets are transferred to a fee-based advisory platform. In this scenario, the Investment Adviser Representative (IAR) may receive both a commission from the sale of the product and ongoing advisory fees when the account is transferred into the Firm's advisory program. This could result in higher costs for the client and raises a conflict, as the IAR may have an incentive to recommend such transactions to increase their compensation. For example, if a client is sold a commission-based mutual fund, the IAR may receive a commission at the time of purchase. If that same mutual fund is then transferred into a fee-based advisory account, the client will also pay an ongoing advisory fee, effectively paying twice for the same product. This situation creates a financial conflict of interest, as the IAR may be motivated to move assets to an advisory account to collect additional fees, rather than making recommendations based solely on the client's best interest.

Mitigation of Conflicts

To address and mitigate this potential conflict of interest, we have implemented the following measures:

1. Account Opening and Product Suitability Review: When a client’s account is opened or assets are transferred to an advisory account, we conduct a thorough review to ensure the appropriateness of the advisory structure and the suitability of the transferred assets as well as review trades in the past 30 days to identify any commissions that have been charged. This review helps ensure that the move to a fee-based advisory platform is in the client’s best interest and not driven by the IAR’s compensation.

2. Disclosure of Fees: We provide full transparency on all fees and compensation, both at the time a commission-based product is sold and when assets are transferred to an advisory account. This ensures that clients are aware of any potential costs and the compensation the IAR may receive.

3. Ongoing Monitoring and Reviews: After the account is opened, we conduct periodic reviews to ensure that the account structure, investment products, and fees remain aligned with the client’s financial goals and objectives. If a commission-based product is transferred to an advisory platform, we will review the appropriateness of continuing to hold that product in a fee-based environment.

4. Firm Oversight: Our Firm conducts internal oversight to identify situations where commission-based products are quickly transferred to fee-based accounts. This helps us ensure that such transfers are justified based on the client’s needs and not influenced by compensation-related conflicts.

Gifts and Entertainment

Our Firm has established policies and procedures to regulate the receipt and giving of gifts and entertainment by our Investment Adviser Representatives (IARs) to prevent any potential conflicts of interest that could influence the advice or services provided to clients. The Firm requires that any gift or entertainment exceeding $100 in value, whether given or received by an IAR, must be pre-approved by the Firm. This policy helps to ensure that gifts and entertainment are appropriate and do not create an appearance of impropriety or undue influence over business decisions. In addition to the pre-approval process, IARs are required to maintain and submit a gift log that documents all gifts and entertainment given or received, regardless of the amount. The Firm conducts a thorough review and approval of these logs to ensure compliance with our policies and to identify any potential conflicts of interest.

Oversight and Monitoring

To ensure adherence to these policies, the Firm has implemented the following measures:

1. Quarterly Reviews: The Firm conducts quarterly reviews of the submitted gift logs to verify that all gifts and entertainment are properly reported and approved, and that they comply with the Firm's policies.

2. Annual Attestation: On an annual basis, IARs are required to complete an attestation certifying that they have complied with the Firm's gift and entertainment policies throughout the year. This attestation helps ensure ongoing adherence to the rules and provides an opportunity for IARs to report any issues or concerns.

Item 5: Account Requirements and Types of Clients

Program	Minimum Account Size
American Funds F-2 Share Mutual Fund Progrm	$250.00
Ascend Program	$0 (min. $10 deposits)
Personalized UMA Multi Strategy	
Optimal Blend	$200,000 or portfolio minimum
Custom Blend	$10,000 subject to investment minimum
Personalized UMA Single Strategy	
SMA Strategies	$50,000
Allocation Advisors Strategies	
Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic U.S. Inflation	$25,000
ESG Aware, Tactical ETF, Active/Passive, Intuitive Investor ETF	$10,000
CAAP Plus and Tactical ETF	$50,000
Wells Fargo Compass Asset Allocation Strategies	$250,000 except the Aggressive Growth Model which is $150,000
WFII Social Impact Investing Strategies	$50,000
FundSource Optimal Blend	$25,000
FundSource Foundations Optimal Blend	$10,000
FundSource	
Fundsource Optimal Blend	$25,000
FundSource Customized Blend	$25,000
FundSource Foundations Optimal Blend	$10,000
Private Advisor Network	$100,000 subject to Manager’s minimum
Customized Portfolios	
Fixed Income Portfolios	$10,000,000
Custom Option Portfolio	$250,000
Asset Advisor	$25,000
Custom Choice	$25,000
Private Investment Manager (“PIM”)	$50,000

Minimum initial Account values are shown in the table above. Pinnacle Investments may terminate Client Accounts with written notice if they fall below the minimum Account value guidelines established by us.

In these wrap programs, the minimum account size for each model style is determined by the Model Provider or Sub-Manager and if these values fall below the above stated minimums, it is the sole discretion of theirs to either keep or terminate the relationship. For additional information regarding any restrictions imposed by an SMA Manager, Model Provider, or Sub-Manager, please ask your Pinnacle IAR for their Form ADV Part 2A Brochure.

Types of Clients
Pinnacle Investments, through its IARs, may provide investment advisory services described in this brochure to individuals, high-net worth individuals, pension or profit-sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions, as well as banks or thrift institutions. Our clients can have both fee-based advisory accounts and commission-based brokerage accounts. Our IARs may provide clients with advisory services, brokerage services, or both, depending on an IAR's registration and qualifications, based on a client's need and preferences.

Item 6: Portfolio Management Selection and Evaluation

Manager Evaluation

Pinnacle IAR's acts as a discretionary portfolio manager and selects specific investments to implement an asset allocation strategy consistent with your investor profile, risk tolerance, and investment objectives in the WFA "PIM" Program, as well in certain instances in the Ascend Program provided by Betterment. In addition, Pinnacle IAR's act as a limited discretionary portfolio manager in the WFA Asset Advisor and Custom Choice programs. In these aforementioned programs, Pinnacle IAR's generally do not have documented performance histories against which to measure. Therefore, Pinnacle IAR's are not subject to the same selection and review process that we use for other wrap programs provided by us and described below.

American Funds F-2 Share Mutual Fund Program

The American Funds F-2 share mutual funds are managed by American Funds Distributors designated portfolio fund managers.

Ascend Program

For Betterment Constructed Portfolios, Betterment determines the specific securities that compose an asset class for an Allocation, and Betterment reserves the right to change the specific assets within an asset class without notice to clients as determined in good faith for the benefit of clients. For Third-Party Portfolios and Custom Portfolios, Betterment receives Allocation updates from the Pinnacle IAR and interpolates the Allocations into Betterment's portfolio management software, but Betterment does not determine the specific securities or Allocations that make up these portfolios. Clients and/or their Pinnacle IAR may either accept recommended Allocation by Betterment or elect a different Allocation based on their or their client's own risk tolerance or preferences, as well as impose reasonable restrictions on the management of their portfolios.

Betterment's Executive Investment Committee (the "EIC") is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. The EIC determines which portfolio strategies to offer to clients directly and through Advisors and oversees each portfolio strategy, except to the extent described below. Betterment currently makes available to clients three categories of portfolio strategies:

A. Betterment Constructed Portfolios –

Betterment Constructed Portfolios are portfolios for which Betterment selects the underlying securities and weightings of those securities associated with particular Allocations (as defined below). Betterment Constructed Portfolios are composed of publicly traded exchange-traded funds ("ETF") securities. The selection process for Betterment Constructed Portfolios is intended to satisfy a broad set of potential client financial goals, including but not limited to maximizing returns, minimizing investment costs, limiting volatility, and diversifying investments. Betterment makes available Betterment Constructed Portfolios to Retail Clients, Retirement-Plan Clients, and Third-Party Advised Clients.

The current Betterment Constructed Portfolios are:

Betterment Core portfolio strategy. Betterment's Core portfolio strategy offers a set of globally diversified stock and bond allocations with broad market exposure, and is composed of low-cost, liquid, index-tracking ETFs from diverse providers.

Socially Responsible Investing portfolio strategies. Betterment's Socially Responsible Investing portfolio strategies allocate to ETFs that consider environmental, social, and governance ("ESG") criteria when selecting their underlying holdings, as well as funds that use shareholder engagement strategies to encourage socially responsible corporate behavior. Clients choose from among three areas of focus: Broad Impact, Client Impact, and Social Impact.

Innovative Technology portfolio strategy. Betterment's Innovative Technology Portfolio strategy substitutes specific exposures, relative to Betterment's Core portfolio strategy, to U.S. value stocks with an allocation to an innovation ETF that invests in high-growth potential U.S. and global companies in various industries using existing and emerging technologies, such as clean energies, semiconductors, robotics, automation, and blockchain.

Betterment Value Tilt portfolio strategy. Betterment's Value Tilt portfolio strategy offers a set of globally diversified stock and bond allocations, with a U.S. value and small capitalization tilt as well as increased international markets exposures relative to the broader market.

Flexible portfolio strategy. Betterment's Flexible Portfolio strategy makes available a number of asset classes for Clients and/or their Advisors to choose from in order to construct their own portfolios. Betterment selects the underlying ETFs that represent each asset class and which asset classes to make available in the Flexible Portfolio strategy, and Clients and/or their Advisors can choose their asset classes and adjust allocation weights. The portfolio strategies that Betterment offers are subject to change. More information about Betterment's Constructed Portfolio strategies can be found in Betterment's online interface and in its publicly available portfolio strategy disclosures.

B. Third-Party Portfolios-

Betterment also offers Third-Party Advised Clients the opportunity to select certain portfolio strategies that are constructed and updated by third-party managers ("Third-Party Portfolios"). Betterment does not select the underlying securities in Third-Party Portfolios but periodically reviews the Third-Party Portfolios to ensure that the portfolios remain consistent with the portfolio objectives identified by the third-party manager.

The current Third-Party Portfolios are:

Variable Bonds portfolio strategy. The Variable Bonds portfolio strategy is designed by BlackRock and composed entirely of BlackRock-managed bond ETFs. The Variable Bonds portfolio strategy allows investors to choose between four yield/risk profiles and is available to all clients.

Smart Beta portfolio strategy. The Smart Beta portfolio strategy is designed by Goldman Sachs Asset Management ("GSAM") and composed of certain Goldman ActiveBeta™ equity and fixed income ETFs, in addition to traditional passive ETFs. The Smart Beta portfolio strategy offers investors the opportunity to seek outperformance by taking more systematic risk at a given allocation of stocks and bonds relative to conventional market capitalization weighted portfolios. The Smart Beta portfolio strategy is available to all clients.

Vanguard CRSP portfolio strategy. The Vanguard CRSP portfolio strategy is designed by Vanguard and composed of Vanguard-managed broad market equity and investment grade fixed income ETFs based on global market capitalization weights. This portfolio strategy is available only to Third-Party Advised Clients.

Third-Party Portfolios include ETFs sponsored by the third-party manager or an affiliate thereof, for which the manager or its affiliate receives fees. Each such third-party manager is therefore subject to a conflict of interest in that it may be incentivized to include such affiliated ETFs in constructing such portfolios. Furthermore, to the extent any Third-Party Portfolio is updated by the applicable third-party manager, such updates may be delivered to Betterment and updated after such updates are delivered to other users of such Third-Party Portfolio (including affiliates of the relevant manager). Clients should also understand that certain of Betterment's services are restricted or operate differently for clients who elect a Third-Party Portfolio as compared to Betterment's Core portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about any other Third-Party Portfolios available to them. More information about Betterment's Third-Party Portfolios can be found in Betterment's online interface and in its publicly available portfolio strategy disclosures.

C. Custom Portfolios –

Betterment also offers Advisors the ability to construct their own Advisor-designed custom portfolios (each a "Custom Portfolio") available to Pinnacle IAR Clients. A Custom Portfolio consists of a set or multiple sets of securities and allocations with underlying return and volatility assumptions provided to Betterment by your Pinnacle IAR. For any Third-Party Advised Client who elects a Custom Portfolio, Betterment will allocate the client's assets in accordance with the Custom Portfolio. For Custom Portfolios, the Advisor and not Betterment is responsible for ensuring the Custom Portfolio (1) is suitable for its Third-Party Advised Clients, and (2) is constructed and managed in a manner consistent with the Third-Party Advised Client's financial situation and investment objectives. For certain DFA-authorized Advisors on the Betterment for Advisors platform, an Advisor may design a Custom Portfolio constructed entirely of DFA mutual funds and ETFs (such Custom Portfolio, a "DFA Portfolio"). For DFA Portfolios, Betterment provides feedback to Advisors regarding the risk and diversification of DFA Portfolios, but Betterment is not responsible for determining whether a particular Dimensional Fund Advisors LP (DFA) Portfolio is appropriate for a particular Third-Party Advised Client, or for making any adjustments to a DFA Portfolio's allocation over time.

Betterment does not independently review and/or approve Advisor-built Custom Portfolios. Betterment's EIC has determined to make Custom Portfolio functionality available to Advisors but does not determine which Custom Portfolios may be offered to clients or oversee each Custom Portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about Custom Portfolios available to them, including whether any of Betterment's services are restricted or operate differently for a Custom Portfolio as compared to Betterment's Core portfolio strategy.

D. Cash Reserve-

Betterment also offers Pinnacle IAR Clients the opportunity to participate in Cash Reserve, a program in which Betterment directs client funds among interest-bearing, FDIC-insured deposit accounts at banks that agree to accept funds through the program ("Program Banks"). The rates of interest paid by each Program Bank will differ. Betterment does not guarantee that any client will receive a specified average or composite interest rate on funds invested through the program.

Betterment will endeavor to achieve, on each day, the same average rate of interest across all clients' balances in the program (except for clients for whom Betterment waives a portion of its payments from the Program Banks in connection with a promotion), subject to certain client-specific factors. Such factors will include the client-imposed limitations set forth below. In allocating funds to the deposit accounts, Betterment considers a number of factors, including: (1) FDIC coverage on deposits held through Cash Reserve only (up to $250,000 per Program Bank for each FDIC insurable ownership category—e.g., individual or joint—offered by Betterment) (as limited by clients' decisions to opt out of particular Program Banks); (2) a client's instruction to opt out of particular Program Banks; (3) maximum or minimum capacity constraints imposed by particular Program Banks as a condition of their participation in Cash Reserve; and (4) aggregate client funds in Cash Reserve. A client could receive a lower average rate of interest than they would otherwise receive as a result of the application of one or more of these factors. Betterment reserves the right, in its discretion, to impose conditions on clients' ability to opt out of Program Banks, including by requiring clients to furnish proof that they maintain balances in other accounts at such Program Banks.

Client funds are held at Program Banks through omnibus accounts in the name of Betterment Securities, on behalf of Betterment clients. Betterment Securities maintains records of each client's deposits in Cash Reserve. More information about Cash Reserve, including the timing of transactions, is available at https://www.betterment.com/legal/cash-reserve. Betterment retains ongoing discretion to direct client funds held through Cash Reserve into ETFs or other securities in addition to, or instead of, among Program Banks. Participating clients would be notified of any such change.

Use of Algorithms

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. When a Retail Client or Retirement Plan Participant creates a Betterment account, identifies an investing goal and/or time horizon, and selects a Betterment Constructed Portfolio strategy, an algorithm, developed by Betterment's investment advisory personnel, determines Betterment's recommended Allocation based on these inputs from the Client. Betterment does not recommend an allocation for Third-Party Advised Clients, who are instead recommended an allocation by their Pinnacle IAR. Algorithms also generate advice regarding other investment decisions, including but not limited to Allocation selection, savings and withdrawal rates, automatic rebalancing, and account type selection.

When clients make deposits or withdrawals from investing goals, elect to change portfolio strategies, or donate shares, an algorithm determines the specific securities to trade based on a client's Allocation, current tax lots, and other directions that they have provided to Betterment. If clients opt into Betterment's Tax Loss Harvesting (TLH) feature or Tax Coordination services, algorithms also determine the specific trades that are made in a client's account to affect such services, described in more detail in each product disclosure. Algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. Betterment periodically modifies its algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Betterment conducts testing designed to ensure that our algorithms continue to function as intended when new code is introduced, and existing code is updated. Although such testing is intended to ensure that code changes do not create unintended consequences, Clients should understand that testing, no matter how comprehensive, cannot guarantee the absence of code-related issues with our algorithms. In the event of a software malfunction or other error that results in Client losses, Betterment will review and remediate the software exception or other error, and if appropriate, will compensate Client for losses caused by Betterment, subject to a $10 de minimis loss threshold.

The algorithms described above will generate recommendations only from information that is input into the algorithm. Betterment does not provide a comprehensive financial plan and although Betterment collects a variety of information from clients, individualized information about every aspect of a client's personal financial situation is not elicited through Betterment's online interface, and therefore, not considered by Betterment's algorithms. Clients should be aware of this limitation when considering Betterment's service.

Wells Fargo Advisors Portfolio Manager Selection and Evaluation

Each WFA Program described in this Disclosure Document has specific criteria used in evaluating and/or selecting Portfolio Managers or underlying investments for inclusion in the Program.

Personalized UMA Due Diligence

Quantitative and qualitative measures are used to identify a select number of investment strategies within the varied asset class and investment approach combinations. The factors influencing the inclusion of a Manager or mutual fund on the WFA Personalized UMA roster typically includes a statistical analysis of the Manager or fund's past record and management style; the assessed quality of the investment process; changes in investment process or personnel; the number, continuity and experience of the investment professionals; a completed questionnaire; database information on the firm and interviews with members of the investment management team. The inclusion of ETFs typically includes an assessment of liquidity levels and tracking error versus corresponding market benchmarks.

Manager Due Diligence Process

Managers and strategies must be on the Roster of reviewed strategies. The Roster and assigned ratings, described below, are based on due diligence provided by WFA's affiliate, WFII. The Manager and strategy evaluation process is intended to offer a diverse list of assessed investment strategies that represent a broad array of asset classes and investment approaches from which you can select one or more Managers and/or strategies to handle the day-to-day investment management of your Account(s).

<u>Ratings:</u>

Recommended: A Recommended rating is assigned to a strategy in good standing with WFII's Global Manager Research ("GMR") and the coverage analyst has high conviction in it. The evaluation process for consideration of an investment strategy with a Recommended rating is focused on both quantitative and qualitative analysis. Inputs into the process include the review of relevant information requests and documentation provided by the Managers and an analysis of the individual Strategy's past performance records relative to pertinent market or peer benchmarks and market-based expectations. Additional factors considered typically include the number, continuity and assessed experience of investment professionals and any substantial changes in investment process or personnel. The review process includes upfront and periodic discussions with Manager personnel. These discussions and resulting information flow typically pertain to investment performance, staffing, operations, asset flows, financial condition or other such matters that upon further assessment could influence the ongoing rating or availability of the Manager or strategy.

Supported (ERF) Eligibility Review Framework: A Supported (ERF) rating is assigned to a strategy that has passed the quantitatively oriented Eligibility Review Framework (ERF) and is considered acceptable to own. In relation to a Recommended rating, the process by which strategies with a Supported (ERF) rating are evaluated on an on-going basis is less comprehensive and more quantitatively focused through the Eligibility Review Framework (ERF). While the process can include direct discussions with the Managers, the primary sources of information come from manager-provided documentations and third-party databases. Initial and periodic assessed factors often include a quantitative review of past performance, the number and tenure of investment personnel, and asset levels and flows. A quantitatively oriented review will be applied to assess investment and business-related characteristics, but with a qualitative review of the output being the final determining factor.

Watch Ratings: In cases where ongoing assessments indicate areas of uncertainty or potential for growing concern. A Watch rating has three levels:

- Recommended: Watch Level I - An event has occurred and is being evaluated. Pending the outcome of the evaluation, GMR maintains its recommendation for new purchases.
- Watch Level I (ERF) - An event has occurred, or an ERF eligibility threshold has not been met. Pending additional monitoring through the ERF process, GMR does not suggest restriction of new money into these products.
- Recommended: Watch Level II - An event has occurred that has the potential to impact longer-term investment prospects and is being evaluated. Pending the outcome of the evaluation, GMR maintains its recommendation for new purchases.
- Watch Level II (ERF) - An event has occurred that may have the potential to impact longer-term investment prospects, or an ERF eligibility threshold has not been met for multiple quarters. Pending additional results of the ERF review process, GMR does not suggest restriction of new money into these products.
- Watch Level III - An event has occurred that triggers significant concern with respect to the future investment prospects of a strategy. GMR recommends restricting new money into the strategy.

- Watch Level III (ERF) - A significant event has occurred that may have the potential to impact longer-term investment prospects, or an ERF eligibility threshold has consistently not been met for multiple quarters. GMR suggests restriction of new money into these products.

Sell/Sell (ERF): A significant event has occurred with a high probability of materially impacting longer-term investment prospects. Used when GMR believes the time to exit a strategy should be relatively short. (GMR expects this rating to be seldom used for Supported products but could be used in situations of extremely heightened concern.)

Sunset: Assigned when GMR believes a relatively longer time period for Clients to exit a strategy is acceptable.

Sunset (ERF): A significant event has occurred with a high probability of materially impacting longer-term investment prospects, or an ERF eligibility threshold has consistently not been met for an extended number of quarters. Used when GMR believes a relatively longer time period to exit is acceptable. In addition to the previously described evaluation processes for both the Recommended and Supported (ERF) ratings, WFA reserves the right to determine the availability of any particular Manager available within Personalized UMA.

Manager Roster/Status Changes and Program Terminations: For strategies currently available, ongoing reviews can result in a change of rating or removal from the SMA strategies roster. Strategies that meet the criteria for the Supported (ERF) rating but no longer meet the criteria for Recommended rating would transition to the evaluation process used for the Supported (ERF) rating. Based on the individual Strategy assessment, a Strategy with a Supported (ERF) rating can also be elevated to the Recommended rating. In such cases, the ongoing review of the Strategy would transition to the evaluation process used for the Recommended rating. If a strategy is rated Watch, the strategy will remain on Watch until such time that continued assessment warrants either 1) removing the Watch rating or 2) terminating the Strategy. Circumstances also arise under which a Strategy is more expeditiously removed from the Program (i.e., without first being rated Watch). Some Managers have the same strategy available to Clients in both Personalized UMA and the Private Advisor Network Program. In these instances, the fee structure and services provided are different for Personalized UMA and the Private Advisor Network Program. The implementation of a Manager recommendation could be effected immediately for other managed Accounts prior to or simultaneous with providing the same advice for your Account; because of the delay involved, your Account could receive higher or lower execution prices.

Mutual Fund Due Diligence Process

WFA classifies the mutual funds available in FundSource as either Recommended List or Pathways List Roster of funds. These lists include only open-end mutual funds that offer shares at net asset value through advisory programs. The Recommended List of funds is determined by due diligence provided by WFII. WFII uses both qualitative and quantitative criteria when evaluating funds for inclusion on the Recommended List. WFII will typically meet with the fund company Portfolio Managers and research staff to discuss the underlying investment philosophy of the fund and how that philosophy is manifested in security buy and sell decisions. WFII's research team also seeks to understand the capabilities of the Portfolio Manager or team managing the fund, to assess how the investment process is performed in different market environments. Additional factors influencing the inclusion of a mutual fund on the Recommended Roster typically includes a statistical analysis of the fund's past performance record and management style; the assessed quality of the investment process; changes in investment process or personnel; the number, personnel, continuity, and experience of the investment professionals. As part of their research process, WFII maintains due diligence and database information on each of the Recommended List funds. The due diligence process is a continuing one, funds can be added or removed from the Recommended List based on these ongoing assessments.

Pathways List mutual funds are used in the Pathways Optimal Blends. Russell Investment Management is responsible for the asset allocation and selection of Russell funds used in the Pathways Optimal Blends. WFII is conducting due diligence on Russell Investment Management and their investment process used to construct the Pathways Optimal Blends and select sub-advisors used by the Russell funds. WFII analysts do not conduct qualitative and quantitative analysis on Pathways List mutual funds. WFA conducts a review of the mutual funds prior to making them available on the Pathways List of funds which includes a review of fund expenses, performance using third-party research reports provided by Morningstar®, and trading and operational capabilities of the funds. Fund sub-advisors are terminated or replaced by Russell generally due to changes in senior investment personnel and/or a deviation from the desired investment discipline. Such changes to fund investments are made without prior notice to you.

WFII reserves the right to remove a mutual fund from either a FundSource Optimal or Customized Blend and replace it with another fund with a similar management style without your consent. For taxable Accounts, fund replacements will have tax consequences. Our reasons for removing a mutual fund from an Optimal Blend(s) or WFII removing a mutual fund from the Recommended List Roster includes, but is not limited to, its failure to adhere to expected investment objectives or a given management style, a material change in the professional staff managing the fund, unexplained poor performance, a change of the investment management process, or the identification of a better alternative. WFII will, at their sole discretion, determine whether any or all of these factors are material when deciding to make a replacement. On occasion, funds removed from the Recommended List Roster will remain in the Optimal Blend, based on trade timing, replacement fund availability or other model-specific trade considerations. You also have the ability to remove a mutual fund from your Account. If a fund is removed from the Recommended or Pathways Roster of available funds, or when Russell recommends changes to specific model portfolios, WFII will act as your attorney-in-fact with full power and authority to buy, exchange, sell or otherwise effect transactions in your name in shares of mutual funds in your FundSource Account.

In addition to replacing a mutual fund within an Optimal Blend, WFII will adjust the target allocation within an Optimal Blend from time to time without your consent. WFII will modify the allocations and/or selected funds when they believe it is in the interests of their investors to do so. Individual mutual funds and mutual fund combinations are selected based on both quantitative and qualitative methods. Quantitative methods include examination of historical performance as well as the biases that have characterized a given manager's investment approach. Qualitative considerations include, but are not limited to, the tenure and assessed experience of the investment professionals, the perceived quality of the investment process, the risk/return expectations for individual funds, and other factors that impact the investment decision.

WFII meets as necessary to make appropriate changes to the current asset allocation recommendations. They will review these recommendations and apply them to the portfolios, as appropriate. WFII and/or their agent will review the use of any affiliated managers within an Optimal Blend strategy at least annually to ensure objective and consistent due diligence standards are applied to their both affiliated and unaffiliated managers. WFII meets regularly to review the current FundSource recommendations and make appropriate changes to the current asset allocation models and/or the list of research recommended mutual funds.

When using WFII affiliated funds, you should understand that there is a conflict of interest where they offer, recommend, and invest your assets in the affiliated funds whereby they will receive the Program compensation and the compensation for services provided to the fund. Affiliated funds included on the Recommended List are reviewed using the same criteria as their non- affiliated funds.

As mutual funds reach capacity, they are subject to closure to new contributions by existing investors and/or to new investors. In such instances, WFII will seek appropriate, alternative mutual funds for the affected Optimal Blend portfolio(s) or establish a new version of the model for new FundSource Clients.

From time to time, one or more of the Funds held in a Program Account could experience relatively large investments or redemptions due to research and/or model recommendations that WFII and/or Russell make. Such transactions can adversely affect these mutual funds, since they'd have to sell portfolio securities as a result of redemptions or invest the cash that results from additional purchases. Representing the interests of Pinnacle Clients, WFII will typically, but are not required to, take measures to minimize the impact of such transactions if consistent with your investment objectives and those of other Clients participating in the Program.

WFII, at their discretion, undertake share class conversions of mutual funds if an advisory or institution share class becomes available, as long as the fund company allows the conversion to be processed on a tax-free exchange basis. If there is a retail brokerage share class available, we will convert mutual fund shares back to non-advisory or institutional share class shares if you leave the Program.

Certain mutual funds are not available to all Clients because of Account types, minimum purchase requirements, geographic availability, fund closures or other factors.

Mutual funds will include, at any given time, asset allocation funds, alternative strategy mutual funds or other select funds that utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes.

General Due Diligence Information

Information collected by WFA and/or WFII regarding Managers, mutual funds and ETFs is believed to be reliable and accurate, but they do not necessarily independently review or verify it on all occasions. While performance results are generally reported to them through consultants or Managers on a standard gross of fees or a commission basis, they do not audit or verify that these results are calculated on a uniform or consistent basis as provided by a Manager directly to them or through the consulting service they use.

Other than in connection with their consulting responsibilities, they do not assume responsibility for the conduct of Managers, mutual funds or ETFs that you or they select, including their performance or compliance with laws or regulations. You should also be aware that shares of any particular security will fluctuate in value and when redeemed could be worth less than their original cost. There is no guarantee that your target allocation or our recommendations will protect against such loss of investment.

You should understand that:

a. past performance of a Manager, mutual fund, ETF, and/or advisory annuity is no guarantee of future results;
b. market and/or interest rate risk can adversely affect any objectives and strategies of a Manager, mutual fund, ETF or advisory annuity and could cause a loss in your Account;
c. a Manager's past performance does not reflect management of any Program Account, the performance of which varies according to a number of factors, including the size, timing of Account investment, individual Client investment limitations and the process whereby we effect trades based on the advisers' instructions; and
d. your risk parameters or the comparative index selections you provide us are guidelines only; there is no guarantee that they will be met or exceeded.

Services Tailored to Individual Client Needs

All of our investment recommendations for Program Accounts are based on an analysis of your individual financial needs. They are drawn from research and analysis we believe to be reliable and appropriate to your financial circumstances. Each of the advisory services we offer is tailored to a specific type of investor and designed to meet their individual investment objectives, financial needs and tolerance of risk.

Client Restrictions and Instructions

We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your Account. Reasonable instructions generally include the designation of particular securities or types of securities that should not be purchased for the Account.

If your restrictions are unreasonable or if we, or your Pinnacle IAR, believe that the restrictions are inappropriate, we will notify you that unless the restrictions are modified, we will remove your Account from the Program. You will not be able to provide instructions that prohibit or restrict the investment adviser of an open-end or closed-end mutual fund or an ETF, with respect to the purchase or sale of specific securities or types of securities within the fund or ETF.

Our policy is generally to liquidate your preexisting securities portfolio immediately and bring the Account into conformity with your target allocations. If you wish to hold certain positions for tax or investment purposes, you should consider holding these positions in a separate Account.

Performance Calculation

Pinnacle Investments, LLC has engaged Betterment and Wells Fargo Advisors to calculate investment performance and to provide reports to clients subject to a minimum account value. Neither Pinnacle Investments, LLC, nor any third party, reviews or verifies the accuracy of performance or its compliance with any presentation standards.

A custodial statement containing a description of all account activity is provided to you not less than quarterly. Your Pinnacle IAR reviews overall performance of each account on a periodic basis in order to ensure that transactions are suitable based on your investment objectives, meet your quality expectations and comply with any investment restrictions requested by you.

Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees in any of our investment advisory Programs. We do not have any side-by-side management situations.

Methods of Analysis, Investment Strategies and Risk of Loss

The Methods of Analysis used and Investment Strategies available in each Program are described above in the "Services, Fees and Compensation" and the "Portfolio Manager Selection and Evaluation" sections.

Risk of Loss

All investments shall be at your risk exclusively, and you must understand that we do not guarantee any return on the investments recommended or advised upon and will not be responsible for losses resulting from such trading or for any transactions that we have not recommended to you.

<u>Proxy and Reorganizations</u>

Betterment clients delegate the authority to receive and vote all proxies and related materials for any security held in Betterment accounts to Betterment. Betterment's Proxy Voting Committee is responsible for ensuring that proxy matters are conducted in the best interest of clients, consistent with its charter and Betterment's policies and procedures. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment currently selects for Betterment Constructed Portfolios (as defined above) and will abstain from voting on other securities, including but not limited to those securities only present in third-party portfolios, Pinnacle IAR custom portfolios, or securities transferred to Betterment via ACATS, in each case that are not already supported in a Betterment Constructed Portfolio. If a security is present in Betterment Constructed Portfolios and outside of Betterment Constructed Portfolios, Betterment will vote on proxies associated with that security in all portfolios in which it is held. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients. Clients may request information regarding how Betterment voted a client's proxies, and clients may request a copy of Betterment's proxy policies and procedures, which are updated from time to time, by emailing support@betterment.com.

Except where you have selected a Single Strategy managed by a non-affiliated WFII Discretionary Manager, you delegate proxy voting authority to a third-party proxy voting service provider, currently Institutional Shareholder Services Inc. ("ISS"), which we have engaged to vote proxies on your behalf to act (or refrain from acting) with respect to proxy information related to securities, or the issuer of securities, held or formerly held in an Account. ISS will vote proxies on your behalf in accordance with its established guidelines. ISS' services do not apply to proxies they decline to vote. When using ISS' services, you will not receive proxy materials or annual reports related to securities or other property. In the case where ISS declines to vote, you will not receive proxy materials and the proxy will not be voted. For any corporate proposal [for investment companies registered under the Investment Company Act of 1940, including mutual funds, closed-end funds, ETFs and UITs] which does not require a proxy (e.g., tender offers or repurchase offers), neither we nor your Pinnacle IAR will exercise discretion in choosing an option on the proposal. Instead of exercising discretion, we will refrain from acting and these positions will be treated as unvoted. As an example, in the case of a repurchase offer by a fund, your shares will not be offered for repurchase by the fund.

You have the ability to rescind this proxy voting authorization by providing written instruction to us appointing either yourself or a third party authorized to act on your behalf. You may not delegate proxy voting authority or authority to exercise discretion on reorganization proposals to us and we will not be obligated to render any advice or take any action with respect to information related to securities, or the issuer of such securities held in the Account. Information regarding ISS' services and its U.S. Proxy Voting Guidelines are available via ISS' website: https://www.issgovernance.com/policy-gateway/voting-policies. We may change the third-party proxy voting service provider and will not be deemed to have or to exercise proxy voting responsibility or authority by virtue of such action.

In cases where you have selected a Single Strategy managed by a Discretionary Manager other than WFII, you direct us to forward this information to the Discretionary Manager and you authorize the Discretionary Manager to take such action (or refrain from acting). In cases where you have selected WFII as a Discretionary Manager, you delegate proxy voting authority to a third-party proxy voting service provider, currently Institutional Shareholder Services Inc. ("ISS"), as otherwise described herein.

If trading authority is allocated to a Discretionary Manager, you direct us to forward reorganization information related to securities, or the issuer of securities, held or formerly held in the Manager's allocation to the Discretionary Manager.

Additionally, you authorize the Discretionary Manager to act (or refrain from acting) on such reorganization information. You have the ability to rescind these authorizations by providing written instructions to us appointing either yourself or a third party authorized to act on your behalf.

If you hold any Non-Program Assets within your Account, we will forward all proxy solicitations to you for action with regards to those specific securities.

Item 7: Client Information Provided to Portfolio Managers

All Clients must provide information on their investment objectives, financial circumstances, time horizon, risk tolerance, and other relevant factors or any restrictions they may wish to impose on investment activities. We will notify you in writing at least annually to update your information and indicate if there have been any changes in your financial situation, investment objectives or instructions; and you agree to inform us verbally or in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Your Pinnacle IAR will be reasonably available to you for consultation on these matters and will act on any changes deemed to be material or appropriate as soon as practical after we become aware of the change. In addition, each client is contacted at least annually to discuss and determine if any changes that have occurred should warrant any changes in your investment strategy.

Item 8: Client Contact with Portfolio Managers

Your contact for information and consultation regarding your Program Accounts is generally your IAR. In certain instances, your Pinnacle IAR may coordinate their response with the Portfolio Manager (if applicable) or arrange for you to consult directly with the Portfolio Manager. In the WFA “PIM” Program, your Pinnacle IAR is acting in the capacity of Portfolio Manager. You have no restrictions in contacting your Pinnacle IAR.

Item 9: Additional Information

In 2015, Pinnacle Investments, without admitting or denying the findings, consented to the censure and fine in the amount of $12,500 due to the findings that it failed to preserve all business-related communication sent or received by a registered rep and his assistant who were using outside email accounts.

In 2023 Pinnacle Investments, without admitting or denying the findings, consented to the censure, fine in the amount of $393,381, disgorgement of $83,462 and prejudgment interest of $11,874. This was due to findings that Pinnacle made false and misleading statements in its Forms ADV part 2A regarding reviews of advisory client accounts, failed to adequately disclose its conflict of interest with the outside business activities and related compensation arrangements of an Investment Adviser Representative, failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder concerning reviews of client accounts and conflicts of interest and failed to deliver to clients information about advisory personnel as required in Form ADV Part 2B.

Other Financial Industry Activities and Affiliations
Pinnacle Investments is registered as a securities broker-dealer with the Financial Industry Regulatory Authority (FINRA). It also has arrangements that are material to its advisory business or clients with a related person who is an investment company investment advisor. Pinnacle is also a general partner in a partnership in which clients are solicited to invest. These arrangements and partnerships are disclosed as follows:

OTHER BUSINESS ACTIVITIES AND AFFILIATIONS

Pinnacle Holding Company, LLC
Pinnacle Holding Company, LLC is the parent company of 1) Pinnacle Investments, LLC and 2) Pinnacle Capital Management, LLC. Pinnacle Investments is not formally affiliated with Pinnacle Advisors, LLC., however there is some common ownership. Pinnacle Advisors, LLC is an SEC-registered investment adviser. The advisory services provided by Pinnacle Advisors, LLC are separate and distinct from the advisory services provided by Pinnacle Investments or any other subsidiary of Pinnacle Holding Company, LLC.

Pinnacle Capital Management, LLC
Pinnacle Capital Management, LLC is an investment management firm providing services to individual investors, corporations, pension funds, foundations, endowments, labor unions, insurance companies, healthcare organizations and governments. PCM specializes in managing equity, balanced and fixed income portfolios. PCM also manages a mutual fund, the 1789 fund, of which Pinnacle Investments is a distributor and offers this product to their clients.

PCM also has representatives focused on 403(b) retirement plans for educators and employees of schools, hospitals and not-for-profit (501c) organizations. PCM representatives may offer Plan Sponsors with customized investment advisory services, diversified investment menus, consulting and reporting, and participant educational programs.

Pinnacle Investments' relationship with Pinnacle Capital Management creates a conflict as some IARs of Pinnacle Investments are also owners of Pinnacle Holding Company, LLC. As Pinnacle Capital Management is also owned by Pinnacle Holding Company, LLC there may be an incentive for IARs to recommend PCM's products and services to their clients in order for Pinnacle Holding Company, LLC to be more profitable. This conflict is mitigated through account opening processes as well as annual reviews of advisory accounts. There is no additional direct compensation for IARs to recommend PCM products and services.

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

Code of Ethics

All Pinnacle Investments' employees, registered representatives and IARs must comply with a Code of Ethics and Insider Trading Policy. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The Code describes Pinnacle Investments' high standard of business conduct, and its fiduciary duty to its clients.

The Code's key provisions include:
- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Compliance personnel or Designated Supervisors review a sample of employee trades each quarter. These reviews ensure that personal trading does not affect the markets and that clients of Pinnacle Investments receive preferential treatment.

Pinnacle Investments' employees must acknowledge the terms of the Code when hired and at least annually thereafter. Any individual not in compliance with the Code may be subject to discipline.

Clients and prospective clients can obtain a copy of Pinnacle Investments' Code of Ethics by contacting Monica Coles at (315) 295-3806 or mcoles@pinnacle-llc.com.

Conflicts of Interest:

Pinnacle Investments is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and manage accounts as well as act in a brokerage capacity and maintain brokerage accounts. A material conflict of interest may arise when a brokerage account converts to an advisory account where Investment Adviser Representatives ("IARs") place clients in asset-based fee accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where IARs place clients in transaction-based accounts versus asset-based fee accounts. Pinnacle Investments addresses these potential conflicts of interest through the use of internal policies and controls that require the designated supervisor to review client information prior to converting a brokerage account to an advisory account or an advisory account to a brokerage account.

Pinnacle Investments, when acting as a broker-dealer, provides recommendations subject to Regulation Best Interest. When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide. Here are some examples to help you understand what this means:

Employee vs. Client Conflicts:

The compensation arrangements or incentives for the firm or its employees could affect whether employees recommend or offer a particular security or transaction to a client.

Outside Business Activities:

If your broker or adviser engages in an outside business activity, it can cause the appearance of a conflict. Typically, this may occur if the broker or advisor engages in an outside business activity relating to a stock offering and the employer for the outside business activity tries to have the broker or adviser recommend or sell certain investments.

Solicitation Fees:

The Firm's IARs may collect cash referral or solicitor fees for referring business to Pinnacle Employee Services, LLC ("PES"), Split 14 and Bent Ear Technology Partners, LLC ("Bent Ear"), all entities under common ownership with Pinnacle Investments. This creates a conflict as the IAR has a financial incentive to refer business to PES, Split 14 and Bent Ear. This conflict is mitigated by disclosure of the referral as an outside business activity as well as a separate disclosure further detailing the incentive prior to being disbursed.

Dual Registration – Investment Advisor/ Broker Capacity

Pinnacle Investments is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and have managed accounts as well as act in a brokerage capacity and maintain brokerage accounts. It is important that the broker or adviser is clear on that role when engaging with a client.

A material conflict of interest may arise when a brokerage account converts to an advisory account where representatives recommend clients in asset-based fee accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where representatives place clients in transaction-based accounts versus asset -based fee accounts. This conflict exists in part due to the IAR and/or Pinnacle Investments' ability to generate more income depending on the account type selected. This conflict does not apply to brokerage fees charged on advisory accounts as those are charged by the custodian.

Pinnacle Investments addresses this potential conflict of interest through the use of an internal policy that requires that a Pinnacle representative fill in a form with pertinent information when a brokerage account converts to an advisory account or, vice versa, when an advisory account converts to a brokerage account. The information pertains directly to the reasoning for the transfer of the account and requires the signature of the designated supervisor.

As a dually registered RIA and broker-dealer, the Firm receives revenue from both commissions as well as advisory fees. The Firm may sell you a product in which a commission is charged and then place those assets in an advisory account to provide ongoing investment management. The advisory account will charge an asset-based fee. Because the firm may earn both a commission and then, subsequently, fees on the same assets, this creates a conflict of interest for the Firm. The firm mitigates this conflict by reviewing assets that are placed in the advisory account for any commissions that may have been earned to determine whether or not the asset is appropriate for the advisory account.

Brokerage Transaction:

Pinnacle Investments is required to provide clients with the best execution possible for their transactions. An appearance of a conflict of interest may occur if a broker-dealer or investment adviser directs transactions to a certain market center that may not provide or be able to provide clients with the best possible execution price on their transactions.

a. **Front Running** is not only a conflict of interest but also a prohibited act. This situation results when a broker or advisor takes advantage of non-public information about a large block trade and purchases or sells the securities in his or her own account ahead of the block execution.

b. **When we act as your investment adviser,** we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

c. **When we provide a recommendation as your broker-dealer or act as an investment adviser,** we have to act in your best interest and not put ours ahead of yours. At the same time, the way we make money creates 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 you.

Rollovers:

If a client is a participant in an employer-sponsored plan such as a 401(k) plan and decides to roll assets out of the plan into the account, Pinnacle Investments and the IAR have a financial incentive to recommend that the client invest those assets in the account, because Pinnacle Investments will be paid on those assets, for example, through advisory fees. You should be aware that such fees likely will be higher than those a participant pays through an employer-sponsored plan, and there can be maintenance and other miscellaneous fees. As securities held in an employer-sponsored plan are generally not transferrable to the account, commissions and sales charges will be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. Pinnacle Investment's policy generally prohibits its IARs from recommending clients roll out of an employer-sponsored retirement plan into a Pinnacle Investments IRA, although IARs may assist by educating clients on their options as well as the various pros and cons of initiating a roll out of an employer-sponsored plan and may recommend how IRA assets be invested after the client has determined to roll out of the employer-sponsored plan. When Pinnacle Investments or an IAR recommends that a client move assets from a Pinnacle Investments brokerage account or an IRA held at another financial institution into a program account, he or she is required to consider, based on the information client provides, whether client will be giving up certain investment-related benefits at the other financial institution, such as the effects of breakpoints or rights of accumulation, and has determined that the recommendation is in client's best interest because (1) greater services and/or other benefits (including discretionary management, asset consolidation, trust services, and advice and planning, automatic account rebalancing) can be achieved with the Account; and (2) the asset based fees and transaction charges are justified by these services and features.

Examples of Ways the Firm Makes Money and Conflicts of Interest:

a. Third-Party Payments: We do not receive third-party payments when we recommend or sell certain investments.

b. Revenue Sharing: We do not receive revenue sharing from managers or sponsors of specific investments.

c. Principal Trading: Investments Pinnacle Investments buys from a retail investor and/or investments Pinnacle Investments sells to a retail investor, for or from our own accounts, respectively.

d. Proprietary Products: Investments that are issued, sponsored or managed by Pinnacle Investments or our affiliates.
   1789 Growth and Income Fund: The 1789 Growth and Income Fund is a 40 Act Mutual Fund that seeks income and growth of capital by investing primarily in stocks with high and growing dividends. Pinnacle Investments is the distributor for the Fund and Pinnacle Investments' affiliate PCM is the Advisor to the Fund.

Participation or Interest in Client Transactions and Personal Trading

Individuals associated with Pinnacle Investments may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Pinnacle Investments that no person employed by Pinnacle Investments shall prefer his or her own interest to that of an advisory or sub-advisory client or make personal investment decisions based on advisory client's investment decisions. To supervise compliance with its Code of Ethics, Pinnacle Investments requires that anyone associated with advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Compliance Department. Pinnacle Investments requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings).

Pinnacle Investments requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Pinnacle Investments' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

Financial Incentives

Our Firm may provide financial incentives to newly recruited Investment Adviser Representatives (IARs) to encourage the transfer of client assets onto our platform. These incentives can take the form of bonuses, enhanced compensation, or other financial benefits that are tied to the volume or value of assets transferred to the Firm.

While these incentives are designed to support the transition of client accounts and ensure the continuity of service, they may also create a potential conflict of interest. Specifically, the financial benefits provided to the IARs may influence their decision to recommend that clients transfer assets to our platform, even if it may not be in the client’s best interest. This conflict arises when an IAR is incentivized to move client assets for their own financial gain rather than based on the suitability of the Firm's services and products.

Review of Accounts

At Pinnacle Investments, trades transacted in Pinnacle wrap programs are reviewed by a supervisor through a risk-based combination of surveillance tools and reports. Every account that has no trade activity will be reviewed by a supervisor at least semi-annually. The entire portfolio, including third-party managed accounts, will be reviewed at least annually by the IAR A percentage of all accounts, including third-party managed accounts, will be reviewed annually by a supervisor. This review will include a review of the entire portfolio. Advisory accounts may be reviewed more frequently in the event of material market, economic or political events or changes in the client's individual circumstances.

Clients are provided with statements on a monthly or quarterly basis, depending on activity. These statements contain a description of any securities positions, money balances, or account activity to each customer whose account had a security position, money balance, or account activity during the period since the last such statement was sent to the customer.

Client Referrals and Other Compensation

Pinnacle Investments (or related persons) does not compensate for client referrals nor receive economic benefits, such as sales awards or other prizes, for providing investment advice or other advisory services to our clients.

Betterment, Inc “Betterment”:

We receive an economic benefit from Betterment in the form of the support products and services it makes available to us. You do not pay more for assets maintained at Betterment as a result of these arrangements. However, we benefit from the arrangements because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Betterment, how they benefit us, and the related conflicts of interest are described above under Item 4 Advisory Services, in our Form ADV. The availability to us of Betterment’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

First Clearing, LLC:

First Clearing is the trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

Services that Benefit the Client

First Clearing services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through First Clearing include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients
First Clearing also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both First Clearing's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at First Clearing.

In addition to investment research, First Clearing also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

First Clearing also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

First Clearing may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. First Clearing may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees.

There is a technology fee associated with the use of First Clearings' Smartstation application. IARs that are also employees of Pinnacle Investments do not pay this fee however IARs that are 1099 contractors incur this expense. This creates a conflict of interest in that some of our advisors may have a financial disincentive to not use First Clearing as a clearing firm. To mitigate this conflict, the Firm reviews all advisory accounts prior to being established to ensure they meet the objectives of our clients.

First Clearing pays additional compensation to Pinnacle Investments based on new AUM attributed to the addition of a new IAR to the platform. This compensation is not shared with any IAR of Pinnacle Investments. This can create a conflict of interest to have new IAR's clients open accounts with First Clearing and is mitigated by the new account approval process.

Irrespective of direct or indirect benefits to our client through First Clearing, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

In October 2024, we renegotiated an amendment to the clearing agreement's Pricing Schedule A, that included an upfront lump-sum cash extension award of $2,500,000. This award is used for the considerable operations, technology, and compliance expenses. We have a pro-rated termination Fee Schedule should we terminate the clearing agreement prior to October 31, 2029.

This additional compensation received by Pinnacle Investments in its broker/dealer capacity creates a conflict of interest with clients because Pinnacle Investments has an economic incentive to use WFA as its clearing firm for trade execution and custody over other firms that do not or would not provide these incentives to Pinnacle Investments. However, the transition dollars are a common occurrence in the industry, and other Clearing Firms offer similar arrangements. A change to another Clearing Firm would likely generate the same award and is a significant undertaking for a broker dealer and its clients. The use of a Clearing Firm is a long-term commitment and integral part of our broker dealer's business model, operations and product and service offerings; thus it is not a change to be made frequently. For the IARs who are also broker agents with the BD, use of the Clearing Firm provides advantages for clients in that their financial professional can offer both products and services in a comprehensive and coordinated manner. Clients with both brokerage and advisory accounts at the Clearing Firm are able to enjoy the benefits of working with one custodian, such as consolidated reporting, costs advantages of householding, ease of transferring funds and securities between accounts, and the same contact to service the accounts. Clients have a wide range of access to products, reporting, and services at a single custodian.

Pinnacle Investments addresses these conflicts of interest through internal exception reports and ongoing reviews to ensure the services provided by the Clearing Firm remain appropriate for our firm and clients. Additionally, no portion of these payments are applied as direct or indirect compensation to our Financial Professionals.

Financial Information

In certain circumstances, Pinnacle IAR's are required to provide clients with material financial information or disclosures about their financial condition. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important to an investment decision, or if it would alter the total mix of available information about the company.

- Pinnacle Investments is not required to disclose any financial conditions since Pinnacle Investments does not require or solicit prepayment of more than $1,200 in fees per client six months or more in advance for either discretionary or non-discretionary accounts.
- Pinnacle Investments does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- Pinnacle Investments has never been the subject of bankruptcy proceedings, and it regularly files financial statements with the SEC. These are available through the SEC.

Cash/Non-Cash Compensation

Pinnacle Investments and its investment adviser representatives ("IARs") may receive both cash and non-cash compensation from third parties in connection with certain investment products or services. This compensation may include, but is not limited to:

- Cash Compensation: Payments from product sponsors, issuers, or other third parties for the sale of specific financial products or services.
- Non-Cash Compensation: Includes benefits such as paid travel, lodging, meals, entertainment, or attendance at training and educational conferences sponsored by product issuers or other third parties.

Conflicts of Interest:
These compensation arrangements create potential conflicts of interest. The receipt of cash or non-cash benefits could influence IARs to recommend certain products, services, or third-party programs that may not be in the best interest of clients but are more financially beneficial to the firm or the IAR. For example:

- IARs may feel incentivized to recommend a product from a provider that offers greater non-cash benefits, such as paid attendance at industry conferences, rather than one that may better align with a client's needs.
- The firm may have a financial interest in promoting specific products due to the receipt of compensation, which could conflict with its duty to provide objective advice.

Mitigation of Conflicts:

To manage these potential conflicts, Pinnacle Investments has established the following policies and procedures:

1. Pre-Approval of Non-Cash Compensation: All non-cash compensation, such as paid conference attendance, must be pre-approved by the firm. This ensures that any such arrangements are in line with the firm's ethical standards and do not unduly influence the recommendations made to clients.
2. Annual IAR Certification: Each IAR is required to certify annually that they have disclosed all forms of cash and non-cash compensation received during the year. This certification process helps ensure transparency and accountability.
3. Ongoing Monitoring and Review: Pinnacle Investments reviews all compensation arrangements periodically to ensure compliance with regulatory requirements and to confirm that any potential conflicts are appropriately disclosed to clients. The firm also assesses whether the recommended products or services remain suitable for clients, regardless of any compensation received.