

# Eagle Strategies LLC

## Wrap Fee Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Eagle Strategies LLC. If you have any questions about the contents of this brochure, please contact us at [eagleoperations@newyorklife.com](mailto:eagleoperations@newyorklife.com) or (888) 695-3245. The information in this brochure has not been approved or verified by any governmental authority, including the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Eagle Strategies LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

This section identifies and discusses material changes we made to our Form ADV Part 2A Wrap Fee Brochure (“Brochure”) from March 31, 2017. For additional details, including information concerning the defined (capitalized) terms used below, please see the item or section in this Brochure that is referenced in the summary below.

- A. Pricing.** We made the following updates and clarifications to the pricing of Eagle programs. Items A(1) and A(2) below relate to the Sponsor Fee on the Fund Advisory (“FA”), Separately Managed Accounts (“SMA”), and Unified Managed Accounts (“UMA”) programs. If the SMA sub-manager fee for your chosen sub-manager has changed, your total Sponsor Fee may increase or decrease if you make certain changes to your account. The Sponsor Fee now ranges from 0.24% to 1.02% and applies to accounts opened or changed on or after July 1, 2017. Item A(3) below reflects a change reducing the maximum fee an IAR may charge.
- 1) SMA Sub-Manager Pricing.** Eagle and Envestnet negotiated new pricing for many of the available SMA Sub-Managers, which resulted in the reduction of the Sponsor Fee-Sub-Manager Fee for several Sub-Managers and an increase for one Sub-Manager. The changes in the Sponsor Fee – Sub-Manager Fee ranged from a decrease of 0.17% to an increase of 0.02%. The Sponsor Fee column of the table in Item 4A (Description of Programs and Services) of the Wrap Fee Brochure reflects the total Sponsor Fee inclusive of the current sub-manager pricing schedule. Please reference Item 4A of the Wrap Fee Brochure or speak with your IAR for more information.
  - 2) Sponsor Fee-Administrative Fee.** As of July 1, 2017, Eagle changed the Sponsor Fee-Administrative Fee within the FA, SMA and UMA Programs. This change increased the administrative portion of the Sponsor Fee within FA and SMA accounts, while reducing this fee for UMA accounts. The updated fees apply to accounts opened or changed on or after July 1, 2017. The Sponsor Fee-Administrative Fee ranges from 0.21% to 0.37% based on the program you select. The Sponsor Fee column of the table in Item 4A (Description of Programs and Services) of the Wrap Fee Brochure reflects the total Sponsor Fee inclusive of the current Administrative Fee range for each program. Please see your Statement of Investment Selection, speak with your IAR, or reference Item 4A of the Wrap Fee Brochure for more information.
  - 3) Advisor Fee Maximum.** We lowered the upper limit of the Advisor Fee range for all Eagle programs from 2.00% to 1.50%. Please see Item 4A (Description of Programs and Services) of the Wrap Fee Brochure.

**B. Representative Directed Program.** We updated the Representative Directed Program to reflect the following changes.

**1) Dollar Cost Averaging (“DCA”).** We disclosed that certain IARs may be able to offer clients DCA as an investment technique to purchase a fixed dollar or share amount of mutual funds, ETFs or equities on a regular schedule, without client consent prior to each transaction.

**2) Description of Models.** We clarified the distinction between a “Model” and a “Portfolio:” a “Model” is the overall allocation prescribed by the Sub-Manager(s) or IAR(s) and the Securities that will be used to execute that strategy, while the “Portfolio” reflects the execution of that strategy. This update also explains how you work with the IAR to accept and understand what positions, weights and other parameters comprise your Model and Portfolio.

**3) Rebalancing.** We further clarified how rebalancing works within the Representative Directed Program, with Envestnet submitting trades for the GP program, and the IAR(s) submitting trades for the RAA and RPM programs, and NFS executing the trades.

**4) Available List.** We enhanced our process for determining the Equities contained on the Representative Directed Program’s Available List. Eagle retains final discretion on the Equities included on the Available List and now also evaluates Equities against multiple analyst reports, generally making available only those Equities with an overall positive rating.

**5) Rep as Portfolio Manager Program:** We have changed the description of the RPM program to state that the IAR has discretionary authority to buy and sell securities, determine when and how to rebalance the account, and maintain cash up to a level permissible under Eagle’s guidelines. Eagle selects the mutual funds, ETFs, ETNs and bonds available in the program and sets the selection criteria for individual equities available in the program.

Please see Item 4A (Description of Programs and Services) and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of the Wrap Fee Brochure or Item 4 (Advisory Business) and Item 6 (Portfolio Manager Selection and Evaluation) of the Firm Disclosure Brochure for additional information on the Representative Directed Program.

**C. Account Service Fees Document.** We described the creation of a document that highlights which additional services will incur a fee and/or charge that is in addition to the Total Client Fee. The document provides a list of and the fees assessed for certain account-related services, including but not limited to, wire transfers, check disbursements, custodial services, account or securities transfers, stopping payment on a check, or other account maintenance features. Please see Item 4C (Additional Information Regarding Fees and

Compensation) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure. In addition, you may access the Account Services Fee Document directly at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures).

- D. Checkwriting and Direct Debit Account.** We describe an optional service that allows clients to create a Direct Debit Account (“DDA”) without a physical checkbook being issued. A DDA allows clients to authorize payees to debit the money market funds in their LWP account via an Automated Clearing House (“ACH”) transfer using the DDA and routing number associated with a Client’s money market fund. Please speak with your IAR or see Item 4A (Description of Programs and Services) of the Wrap Fee Brochure or Item 4B (Advisory Services Offered) of the Firm Disclosure Brochure.
- E. Manager Selection and Due Diligence.** While Eagle retains final discretion to determine an Investment Adviser’s availability in the Solicitor Program or a Sub-Manager or strategy’s availability in the LWP program, we clarified that Eagle may rely on either Envestnet | PMC or our own internal due diligence to make these decisions. Please see Item 6 (Portfolio Manager Selection and Evaluation) of the Wrap Fee Brochure or Item 13A (Periodic Reviews) of the Firm Disclosure Brochure.
- F. Advisory and Other Fees.**
- 1) Payment of Advisory Fees.** We clarified that the first month’s Total Client Fee is calculated based on the initial billable value and is assessed in the first full month after the account is funded. Please see Item 4A (Description of Programs and Services) of the Wrap Fee Brochure or Item 5D (Prepayment of Advisory Fees) of the Firm Disclosure Brochure for more information.
  - 2) Protected Cash.** We clarified that clients who maintain cash in their accounts through the Protected Cash feature may pay a lower total Sponsor Fee or no Sponsor Fee. That is, cash maintained within the Protected Cash feature is not assessed an Advisor Fee nor the Clearing and Execution Fee or the Administrative Fee components of the Sponsor Fee. In some accounts, Protected Cash is still subject to the Platform Fee and Sub-Manager Fee (if appropriate), which are also components of the Sponsor Fee. Because there was an increase in the Administrative Fee component of the Sponsor Fee (from 0.25% to 0.37%) and your overall Sponsor Fee rate did not change, the effective Sponsor Fee on Protected Cash in your Account will be less if you had previously been paying an Administrative Fee of more than 0.25%. Please see Item 4C (Additional Information Regarding Fees and Compensation) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure for more information.
  - 3) Fund Fees.** We clarified certain aspects regarding Eagle’s handling of Fund Fees.
    - a)** Eagle updated the brochures to reflect that Eagle’s affiliate NYLIFE Securities receives 12b-1 fees from money market funds that are used as sweep instruments. The maximum 12b-1 fee is 0.50%, though actual payments may be less than this amount. NFS will pay NYLIFE Securities 100% of all 12b-1 fees that it receives. For retirement accounts, any 12b-1 fees are rebated back to you. In non-retirement accounts, NYLIFE Securities retains these fees.

- b) The brochures were updated to reflect special circumstances for account numbers that begin with the following prefixes: B92, B93, B94, B95, F98, F99, C84 and C97. For accounts with these eight prefixes, our clearing firm NFS, retained the 12b-1 fees for all registration types until June 17, 2017. From June 17, 2017, NYLIFE Securities retained all 12b-1 fees received for non-retirement accounts with these prefixes. For qualified retirement accounts with these prefixes, 12b-1 fees are rebated to Clients.
- c) We enhanced existing disclosure to make clear that Eagle does not make all share classes of a mutual fund available to you. You should not assume that you are invested in the lowest expense share class, and the share class of a mutual fund offered by Eagle can have higher expenses (including because of compensation paid to NYLIFE), and therefore lower returns, than other share classes of that mutual fund for which you are eligible or that might otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.
- d) Eagle updated the brochures to reflect that Eagle's affiliate NYLIFE Securities receives additional revenue from certain mutual funds in the form of shareholder servicing fees. NFS will pay NYLIFE Securities 100% of all shareholder servicing fees that it receives on mutual funds in all LWP accounts. For LWP retirement accounts, shareholder servicing fees are rebated back to you. In LWP non-retirement accounts, NYLIFE Securities retains these fees.

Please see Item 4C (Additional Information Regarding Fees and Compensation) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure.

- 4) **Revenue Sharing.** We updated the disclosure concerning the amount of compensation that Eagle's affiliate NYLIFE Securities receives from NFS on no transaction fee mutual funds to 0.31% annually. For additional information on revenue sharing, please see Item 4C (Additional Information Regarding Fees and Compensation) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure.
- 5) **NFS Revenue.** We updated the Brochures to indicate that the clearing agreement between Eagle's affiliate NYLIFE Securities and its clearing firm (NFS), entitles NYLIFE Securities to receive cash payments for business development provided NYLIFE Securities maintains and fulfills its obligation under this agreement. These payments are not tied to transactions effected on behalf of advisory clients. For additional information on these payments, please see Item 4C (Additional Information Regarding Fees and Compensation) of the Wrap Fee Brochure or Item 5C (Other Fees and Expenses) of the Firm Disclosure Brochure.
- 6) **Small Account Fee language.** We clarified that clients in the Rep Directed Program may be subject to a total small account fee of \$35 annually. Please see Item 4C (Additional Information Regarding Fees and Compensation) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure.
- 7) **Representative Directed Program Pricing Change:** The maximum Sponsor Fee has been lowered to 0.15% and the option to elect individual transaction fees is no longer offered.

- G. Conflicts related to Non Cash Compensation and Personal Trading.** We clarified that either Eagle or a third party Investment Adviser may host training or educational events. We also noted Eagle may charge third party Investment Advisers to participate or attend the events hosted by Eagle. Eagle also further distinguished the differences of how personnel are categorized as Access Persons under its Code of Ethics and how each group's personal trading is monitored.

Please see Item 4D (Compensation to Investment Adviser Representatives and Conflicts) of the Wrap Fee Brochure or Item 5 (Fees and Compensation) of the Firm Disclosure Brochure for additional details related to Non Cash Compensation.

Please see Item 9B (Code of Ethics) of the Wrap Fee Brochure or Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) of the Firm Disclosure Brochure for additional details related to Personal Trading

- H. Consulting Program Fees.** We updated Item 5D (Prepayment of Advisory Fees) of the Firm Brochure to reflect that fees for the Consulting Program are collected in arrears.

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## ITEM 4: SERVICES, FEES AND COMPENSATION

Eagle Strategies LLC (“Eagle,” “we” or “us”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”) and is qualified with appropriate state securities authorities to offer investment advisory and financial planning services in all 50 states and the District of Columbia. Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company (“New York Life”). Eagle’s predecessor, NYLIFE Advisors, Inc., was founded on July 7, 1988. That entity changed its name to Eagle Strategies Corp. on January 3, 1994. Eagle Strategies LLC, organized in Delaware, was formed on September 1, 2007. Effective December 31, 2007, Eagle Strategies Corp. merged with and into Eagle Strategies LLC.

Eagle offers a variety of services through our investment adviser representatives (“IARs” or “Eagle IARs”). Eagle IARs<sup>1</sup> are licensed or permitted by State securities law to offer investment advisory products and services. Registration of Eagle and licensing of its IARs does not imply a certain level of skill or training. Eagle IARs are also insurance agents of New York Life and other affiliated insurance companies, New York Life Insurance and Annuity Corporation (“NYLIAC”) and NYLIFE Insurance Company of Arizona, and registered representatives of NYLIFE Securities LLC (“NYLIFE Securities”), an affiliated broker-dealer.

Eagle’s primary investment advisory business is providing financial planning and investment management services. All investment advisory activity is based upon each client’s (“Client(s),” “you” or “your”) individual financial outlook and personal objectives. Eagle offers many different advisory programs which are described in this Brochure. For a description of other services, such as financial planning, ERISA retirement programs and programs where Eagle is acting as solicitor on behalf of another investment adviser, please see Eagle’s Firm Disclosure Brochure (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)).

**Understanding your Relationship with Eagle.** In providing investment advice, your financial services professional can choose from among different investment solutions. These include advisory programs described in this Wrap Fee Brochure (“Brochure”) on Eagle’s LWP platform (as defined below), other advisory programs described in Eagle’s Firm Disclosure Brochure, a solicitor relationship with an unaffiliated investment adviser, or, in his or her capacity as a registered representative of NYLIFE Securities, a brokerage or mutual fund account or other securities product account. In each of these investment solutions, your financial services professional provides different services and will be paid differently depending on the solution selected. There are important differences among brokerage, mutual fund and other securities product accounts and advisory accounts in terms of services provided, costs and the obligations of your financial services professional and the financial services entity. We encourage you to carefully consider the differences before opening an Eagle account.

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<sup>1</sup> Note that not every IAR is licensed or meets Eagle’s requirements to sell every product or program.



Eagle is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and as a registered investment adviser, Eagle, along with its IARs, has a fiduciary duty to you as an investment adviser. This generally means that Eagle and its IARs will act in your best interest when providing investment advice and will disclose or avoid all material conflicts of interest. Within the advisory programs described in this Brochure, Eagle provides services as an investment adviser under the Advisers Act. In addition, to the extent that Eagle IARs provide advisory services that constitute “investment advice” to plans or individual retirement accounts subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), Eagle [and its IARs] will be deemed a “fiduciary” as that term is defined under Section 3(21) of ERISA or the Internal Revenue Code, as applicable.

Under the investment advisory programs described in this Brochure, in return for the payment of a fee, you receive investment advice from Eagle and, for certain programs, also from third party investment advisers. We also provide other non-advisory solicitor programs described in our Firm Brochure available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures). Brokerage services, mutual fund and other securities product accounts involve your financial services professional, in his or her capacity as a registered representative of our affiliate, NYLIFE Securities, effecting securities transactions based on your instruction and receiving a transaction-based commission. Registered representatives do not have discretion over your account (except in limited instances), and you will need to provide consent to transactions in your account on a trade by trade basis. Registered representatives do not act as fiduciaries and generally do not need to disclose conflicts between your interests and theirs. Your IAR is licensed to act as a registered representative on brokerage, mutual fund and other securities product accounts and as an IAR on Eagle accounts. If you have additional questions on these distinct types of accounts, please contact your IAR.

## A. DESCRIPTION OF PROGRAMS AND SERVICES

We sponsor the following four investment advisory programs, which are collectively referred to as “Lifetime Wealth Portfolios” Programs (“LWP” or “LWP Programs”): 1) Fund Advisory; 2) Separately Managed Account; 3) Representative Directed; and 4) Unified Managed Account. We provide investment advisory services to Clients in the LWP Programs. The programs described in this Brochure are appropriate for clients who (i) seek a disciplined investment strategy, (ii) wish to have the ongoing advice of a professional adviser (iii) want to implement a long-term investment plan and avail themselves of program features like automatic rebalancing, and (iv) prefer the consistency of fee-based pricing.

For the LWP Programs, we have contracted with (i) Envestnet Asset Management Inc. (“Envestnet” or the “Platform Manager”), which provides platform managerial services such as trading platform infrastructure, technology, certain investment advisory and portfolio management services, and other account-related services, and (ii) National Financial Services (“NFS”), which provides custody, clearing and administrative services (including collecting program fees) for the accounts. Our affiliate, NYLIFE Securities, provides brokerage services relating to LWP accounts, and NFS serves as its clearing firm. NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over

any client assets, certain account related services that we offer provide us with authority that result in our being deemed to have custody under the Advisers Act.

For certain LWP Programs, Envestnet retains unaffiliated third party managers (“Sub-Managers”) to provide investment advisory services to Clients. These Sub-Managers (sometimes referred to as “sub-advisors”) are registered investment advisers that provide model portfolios to Envestnet (where Envestnet trades client portfolios) or provide discretionary management of the assets in client portfolios in accordance with portfolio models, and, in return, receive a portion of the advisory fee paid by the Client. Please see the sections below for additional information regarding a Sub-Manager’s role.

In recommending an investment solution to you, your IAR can choose from a universe of investment advisory programs and strategies selected by Eagle. Based on what Envestnet makes available, Eagle selects the Sub-Managers and strategies available within the Fund Advisory and Separately Managed Account Programs. Certain Sub-Managers offer more than one strategy in the programs. For the Representative Directed Programs, Eagle selects the securities (mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), equities and/or bonds) that are made available. The Unified Managed Account Program utilizes certain strategies and/or securities that are available within the Fund Advisory, Separately Managed Account and Representative Directed Programs.

You are encouraged to review additional disclosure documents and/or the specific Program agreement for background on a Program, including more information on Program advisers, managers, services, fees, account termination policies and other important Program features. These documents are available through your IAR.

For each program, further described below, you will be provided a proposal (“Proposal”) and a Statement of Investment Selection (“SIS”). The Proposal will reflect your selected portfolio (“Portfolio”). This Portfolio contains, as applicable, the selected Sub-Manager(s) model(s) and IAR recommended Securities both of which are referred to as a model (“Model”) and the asset allocation. You must sign the SIS, which will also reflect the Portfolio and Model, prior to opening an advisory account.

**Tax, Accounting or Legal Advice.** In all Eagle programs as well as in the optional features described below, Eagle and your Eagle IAR do not render tax, accounting, or legal advice, and you should seek independent advice from your attorney or tax advisor concerning such issues.

**Money Market Sweep.** Eagle selects the sweep money market fund for your account from a list of eligible options that NFS provides. The sweep money market fund selected by Eagle will be reflected on your Managed Account Application and on your statements. Any cash balance that becomes available, for example the proceeds from the sale of a security or new contributions to the account, will be swept daily to the sweep money market fund. The programs you have invested in may require you to keep a certain percentage of your assets in money market funds, separate from the sweep money market fund. You may discuss with your IAR and select a different sweep money market fund if it is available. If any money market funds within your account, including the money market selected as the sweep vehicle, include a mutual fund distribution fee (“12b-1 fee”) or shareholder service fee, it will be paid to Eagle’s affiliate,

NYLIFE Securities. In qualified accounts this fee will be credited back to your account. For non-qualified accounts, NYLIFE Securities will retain this fee. For additional information on NFS' money market funds, including applicable 12b-1 fees, please see the fund prospectuses which are available on their website. For information on the 12b-1 fees and conflicts associated with such fees, please see Item 4C (Additional Information Regarding Fees and Compensation) below.

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## 1. FUND ADVISORY PROGRAM

Eagle's LWP Fund Advisory ("FA") Program is an asset allocation program for mutual funds, exchange traded funds ("ETFs") and exchange traded notes ("ETNs") that is managed on a discretionary basis. If you choose to participate in the FA Program, you select the Sub-Manager and grant the Sub-Manager and Envestnet investment discretion to manage your account. All Sub-Managers available through the FA Program use Envestnet's trading platform, whereby the Sub-Manager provides one or more model portfolios to Envestnet. Envestnet trades the account through NFS, the account's custodian, in accordance with the Sub-Manager's model portfolio.

**Eagle's Role.** We act as an investment adviser in the FA Program and are responsible for initial and ongoing contact with you. Your Eagle IAR gathers information from you or helps you complete an Risk Tolerance Questionnaire ("RTQ") to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal. The Proposal includes Eagle's recommended portfolio objective ("Portfolio Objective") based upon the RTQ responses and describes the recommended Sub-Manager(s), including their asset allocation model.

Eagle and your IAR are not authorized to make any specific securities-related investment decisions or effect any investment transactions (e.g., rebalancing, reallocation, buy/sells, share class selection) with respect to your account. However, Eagle has the discretion to change your Sub-Manager, and you have the right to select a different Sub-Manager(s) at any time. We, or a vendor that we select, also perform ongoing research and due diligence reviews on the available Sub-Managers and strategies within the FA Program. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the due diligence review and research process and how we may change your Sub-Manager.

Your Eagle IAR is also available to meet with or speak to you at least annually to review your account, investment objectives and financial situation. Eagle and its IARs are responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Envestnet.

**Sub-Manager's Role.** The Sub-Managers available in the FA Program are unaffiliated registered investment advisers. The Sub-Manager that you select will provide discretionary investment management services and is responsible for creating a model portfolio of mutual funds, ETFs, and, in some cases, ETNs, consistent with your Portfolio Objective. Sub-Managers are responsible for selecting all the securities within the model portfolio, which may include mutual funds and ETFs that are managed by an Eagle

affiliate. Within retirement accounts, Client investments in affiliated funds will not be subject to the Eagle Advisor Fee and Sponsor Fee-Administrative Fee (as described below).

The Sub-Manager is also responsible for updating the model portfolio and providing the model changes to Investnet (which is then responsible for trading the account). Additionally, the Sub-Manager is responsible for performing ongoing research on the funds included in the model. For more information on the Sub-Managers and their review processes, please reference the applicable Sub-Manager's Form ADV Part 2A (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**Investnet's Role.** In the FA Program, Investnet, an unaffiliated registered investment adviser, is the Platform Manager and has investment discretion over client accounts. Investnet places trades consistent with the Sub-Manager's model portfolio and is responsible for the overall management of the account, including rebalancing and reallocating the account's holdings. Investnet has the authority to make investment decisions for Client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking prior approval or first discussing the transactions with you. When a client opens an account, Investnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model. For information regarding trade confirmations, please see Item 9 (Regular Reports Provided to Clients) below. For information regarding proxies and proxy voting, please see Item 6 (Proxy Voting Policy) below. Please see Investnet's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts, and Clients must complete and sign a NYLIFE Securities brokerage application ("Managed Account Application") to open an LWP account.

**NFS' Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment and maintenance, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

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## 2. SEPARATELY MANAGED ACCOUNT PROGRAM

Eagle's LWP Separately Managed Account ("SMA") Program is an asset allocation program for equities (such as stocks, preferred stocks, real estate investment trusts ("REITs"), master limited partnerships) ETFs, ETNs, mutual funds, and fixed income securities that is managed on a discretionary basis. Eagle selects the Sub-Managers and strategies that are available in the program. Certain Sub-Managers offer more than one strategy in the program. Based on your IAR's recommendation, you choose the Sub-Manager you wish to invest with.

**Eagle's Role.** We act as an investment adviser in this Program and are responsible for initial and ongoing contact with you. Your Eagle IAR gathers information from you or helps you complete an RTQ to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal. The Proposal includes Eagle's recommended Portfolio Objective based upon the responses to the RTQ and describes the recommended Sub-Manager(s) including their Model.

Eagle and your IAR are not authorized to make any specific securities-related investment decisions or effect any investment transactions (e.g., rebalance, reallocation, buy/sells) with respect to your account. However, Eagle has the discretion to change your Sub-Manager, and you have the right to select a different Sub-Manager(s) at any time. We, or a vendor that we select, also perform ongoing research and due diligence reviews on the available Sub-Managers and strategies within the SMA Program. Please see Item 6 (Portfolio Manager Selection and Evaluation) below for more information regarding the due diligence review and research process and how we may change your Sub-Manager.

Your Eagle IAR is also available to consult with you, at least annually, to review any changes to your account, investment objective and financial situation. Eagle and its IARs are also responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Investnet, which will either provide the information to the Executing Sub-Manager (see definition below) or take it into consideration when trading your portfolio. Investnet or the Executing Sub-Managers will advise Eagle, which in turn will notify you, if any restrictions cannot be accepted. Accounts with certain Client-specified restrictions may have transactions executed separately, and after, similar accounts without restrictions, which may cause their performance to be different than that of accounts without restrictions. Please see Item 6 (Tailoring Services to Client Needs) for additional information.

**Sub-Manager's Role.** The Sub-Managers available in the SMA Program are not affiliated with Eagle. Once you choose the investment strategy, and the Sub-Manager agrees to manage your account, the Sub-Manager creates a portfolio of individual securities such as equities, ETFs, mutual funds and bonds that are consistent with the investment strategy. Sub-Managers are responsible for selecting all the securities within the model portfolio, which may include funds that are managed by an Eagle affiliate. Within retirement accounts, Client investments in affiliated funds will not be subject to the Eagle Advisor Fee and Sponsor Fee-Administrative Fee. Please see Item 4C (Additional Information Regarding Fees and Compensation) below for more information about your fees. The Sub-Manager is also responsible for ongoing research on the securities selected for the portfolio.

- **Model Delivery Sub-Managers:** For accounts where the Sub-Manager provides a model portfolio of securities to Investnet ("Model Delivery Sub-Managers"), Investnet is responsible for implementing the trades through NFS. For these accounts, the Model Delivery Sub-Manager acts as an investment adviser and is responsible for creating and updating the model portfolio and providing any model changes to Investnet.
- **Executing Sub-Managers:** Some Sub-Managers directly trade your securities portfolio ("Executing Sub-Manager") with NFS or other broker-dealer(s) that the Sub-Manager selects. Executing Sub-Managers act as investment advisers and are responsible for providing ongoing discretionary

management of your SMA account in accordance with the chosen investment strategy. Once the account is opened, the Executing Sub-Manager is responsible for ongoing maintenance of the account, including rebalancing, reallocation, selection and monitoring of positions, trading, and reporting. For information regarding trade confirmations, please see Item 9 (Regular Reports Provided to Clients) below. For information regarding proxies and proxy voting, please see Item 6 (Proxy Voting Policy) below.

Please see the respective Sub-Manager's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**Investnet's Role.** As the Platform Manager, Investnet provides certain investment advisory, trade order and other account services.

- For accounts utilizing a Model Delivery Sub-Manager, Investnet implements the model portfolio and trades your account on a discretionary basis and is responsible for the overall management of the account (including rebalancing and reallocating the account so that it tracks the model portfolio). Investnet has the authority to make investment decisions for client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking your prior approval or first discussing the transactions with you. When you open an account, Investnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model.
- For accounts utilizing an Executing Sub-Manager, Investnet makes the Sub-Manager available to Eagle and its IARs on the Investnet platform. The Executing Sub-Manager implements and trades its portfolio on a discretionary basis and is responsible for the overall management of the account. The Executing Sub-Manager has the authority to make investment decisions for client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking your prior approval or first discussing the transactions with you.

Investnet's affiliate, Portfolio Management Consultants, Inc. ("Investnet|PMC"), may also provide optional consulting services to qualified IARs, such as recommending appropriate Investnet|PMC solutions and investment allocation techniques. Please reference the *Optional Features Available in LWP Accounts* section within Item 4 below for more information about other consulting services available from Investnet|PMC. Please see Investnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must complete and sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS' Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment and maintenance, trade processing, trade confirmation and

reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

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### 3. REPRESENTATIVE DIRECTED PROGRAM

The Representative Directed Program has three program classifications that qualifying Eagle IARs may offer to clients: Guided Portfolios (“GP”), Representative as Adviser (“RAA”), and Representative as Portfolio Manager (“RPM”). The Representative Directed Program allows Eagle IARs to work with their Clients in recommending and selecting mutual funds, ETFs, ETNs, equities and/or bonds (collectively, “Securities”) that are consistent with a client’s Portfolio Objective. Our internal policies may limit your IAR from purchasing certain types of securities in Representative Directed Program accounts. Please see Item 6A (Selection and Review Process of Portfolio Managers) below for more information about our selection and review process of Securities. For information regarding proxies and proxy voting, see Item 6 (Portfolio Manager Selection and Evaluation) below

The three Representative Directed Programs are:

1. **Guided Portfolios.** The GP program is a non-discretionary program in which you may invest in mutual funds, ETFs and ETNs. You must consent to every trade in advance, except for trades that result from Envestnet rebalancing your account, as indicated in the Client Agreement. Please see the *Rebalancing Representative Directed Accounts* section below for additional information regarding the rebalancing process. For the GP program, you work with your IAR to create your Model by selecting Securities and their portfolio weight to satisfy a specific asset allocation assigned based on your Portfolio Objective.
2. **Representative as Adviser.** In this program, you work with your IAR to create a Model by selecting securities for your account (which could include mutual funds, ETFs, ETNs, equities and any other securities that Eagle designates as eligible for purchase in your account), together with portfolio weight and drift parameters (defined below) that are consistent with your Portfolio Objective. The RAA program is a non-discretionary program in which you must consent to every trade and Model change in advance, except for certain rebalancing and dollar cost averaging (“DCA”) trades. Please see the *Rebalancing Representative Directed Accounts* section below for additional information regarding the rebalancing process. Select IARs may also be able to offer DCA as an investment technique, which will permit clients to pre-authorize the buying of fixed dollar or share amounts of mutual funds, ETFs or equities on a regular schedule, regardless of the share price. Please contact your IAR for additional details.
3. **Representative as Portfolio Manager.** In the RPM program, by signing an addendum to your Client Agreement, you grant Eagle and your IAR discretionary authority over your account to:
  - Buy and sell securities, including in rebalancing trades, of a type made available by Eagle for investment in your account (which could include mutual funds, ETFs, ETNs, equities and any other securities that Eagle designates as eligible for purchase in your account), but only to the extent your IAR is licensed to offer those types of securities;
  - Determine when and how to rebalance your account; and

- Maintain cash up to a level permissible under Eagle’s guidelines.

In exercising discretion in the RPM program, neither Eagle nor your IAR will be required to consult with you or to receive your authorization before effecting trades in your account. Eagle and your IAR will have no authority to withdraw or transfer funds from your account without your prior written authorization. You will remain responsible for voting proxies, responding to corporate actions, and handling legal proceedings, including bankruptcies and class actions, related to securities in your account. You may only participate in the RPM program if your IAR meets Eagle’s qualifications to provide discretionary advisory services. Interested Clients should contact their IAR for additional information.

The following features apply to all Representative Directed Programs:

**Trade Orders.** In the GP program, trades are placed by Envestnet after you and your IAR complete a Goal Modification request and submit the applicable paperwork to Envestnet. A Goal Modification is a method we use to update your account’s risk, fees or Model in Envestnet’s systems. You should be aware that trades in GP accounts are based on Envestnet’s process and that certain model updates may not result in trading. In its sole discretion, Envestnet may determine not to route trades to NFS for execution until the next business day after the Goal Modification and applicable paperwork are received by Envestnet. A delay in trade execution can cause you to pay a higher price when buying securities or receive a lower price when selling securities.

In the RAA and RPM programs, the Eagle IAR submits trade orders, which Envestnet then sends to NFS for execution. Eagle IARs who participate in the RAA and RPM programs are permitted to place conditional orders, such as stop or limit orders, on behalf of Clients. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher. A limit order is not guaranteed to execute. A limit order can only be executed if the security’s market price reaches the limit price. While there is no guarantee that limit orders will be executed, they can help ensure that an investor does not pay more, or receive less, than a pre-determined price for a security. A stop order is an order to buy or sell a security that becomes a market order when a transaction occurs at or above (for sells), or below, (for buys), the stop price. Like a limit order, a stop order is not guaranteed to execute, and the execution price may be different than the stop order price. You should consult with your Eagle IAR to determine if stop and limit orders are appropriate for your account.

If you have an RAA account and your IAR manages RPM accounts, the RAA and RPM accounts could contain some of the same securities. If so, trades in RPM accounts may occur before a trade of the same security in your RAA account because the IAR does not need to obtain client permission before trading RPM accounts.

Please reference Item 4C (*Additional Information Regarding Fees and Compensation*) for information regarding transaction fees.



**Trade Allocations.** In the RPM program, Eagle IARs may aggregate, or “block,” orders for securities to be sold or purchased for more than one Client to obtain favorable execution to the extent permitted by law. Upon execution of a block trade, if the order is fully executed each client receives their shares at the average price of the aggregate order. In instances where the order is only partially filled, each client will receive their pro-rata portion of shares at the average price for the aggregate order. Under the block trading system, RPM program orders submitted for trading could be held for trading until the next day the market is open if submitted less than 15 minutes before market close or, for mutual funds, less than 15 minutes before the mutual fund’s as of forward pricing time.

**Rebalancing Representative Directed Accounts.** Rebalancing is a process of comparing your account’s portfolio to the Model that you established with your IAR to determine if securities need to be bought or sold to make your account’s allocations consistent with your Model. If securities in your portfolio are overweighted or underweighted as compared to your Model parameters at the time of the rebalancing assessment, the Envestnet system will generate the necessary trades to bring your portfolio back in line with the Model’s parameters. The rebalancing trades will be placed either by Envestnet or your IAR (as described below). Please see below (*Rebalancing Assessment Frequency*) for more information regarding the timeframes for rebalancing accounts. If your portfolio is within the defined parameters of your Model, the Envestnet system will not generate any trades and there will be no rebalancing trades in your account. The rebalancing process is further described within the Client Agreement.

Rebalancing Assessment Frequency – At a minimum, Eagle requires that Accounts in the Representative Directed Programs be reviewed for rebalancing annually. You select a rebalancing frequency of quarterly, semi-annually or annually, which is reflected on, and agreed to when you sign, the SIS. Accounts are assessed by Envestnet at the frequency you select, which will be measured from, as applicable, the account opening date (for new accounts) or the date of the last rebalancing action or rebalancing review. The “Assessment Date” is the date on which the Envestnet system conducts the rebalancing review of your account.

In addition to the Assessment Date review (as described above), Envestnet analyzes Representative Directed accounts daily to determine if a rebalance is necessary based on the following reasons:

- A Client has added or withdrawn cash from the account;
- There is insufficient cash to pay Program fees;
- For RAA and RPM accounts, there are positions in the account that are not part of the Model;
- For RAA and RPM accounts, a Goal Modification or service request has been made in the Envestnet system (such as a Model change); or
- For GP accounts, a Goal Modification or service request has been made that puts the account outside its security drift parameters.

Rebalancing Process –

- For the GP Program, if a rebalance is required on the Assessment Date, the rebalancing assessment process will seek to determine if any security is outside its drift parameters. Envestnet

will process these trades without obtaining your consent in advance of the rebalance, as indicated in the Client Agreement.

IARs are responsible for rebalancing accounts within the RAA and RPM programs, and Envestnet is responsible for generating the necessary rebalancing trades and for notifying the IAR when an account rebalancing is necessary so that the IAR can place the necessary rebalancing trades.

- For the RAA Program, your IAR will rebalance your account back to the Model's parameters, quarterly, semi-annually or annually, based on the frequency you selected, which is reflected within your SIS. Portfolio rebalancing may result in additional trades in your account. Your IAR can rebalance your account on the Assessment Date based on the consent you grant within the Client Agreement. If your IAR rebalances your account on any day other than the account's Assessment Date, or modifies any of the rebalancing trades generated by Envestnet, your IAR will obtain your consent in advance of the rebalance.
- For the RPM Program, by signing the Client Agreement and addendum, you grant your IAR the discretionary authority to rebalance your account back to within the defined Model parameters at the IAR's discretion and without your further consent. This includes the discretion to modify or cancel any trades generated by the rebalance analysis. Portfolio rebalancing may result in additional trades in your account. Please see the RPM program description above for additional information regarding your IAR's discretionary authority.

**Drift.** Due to market appreciation and depreciation, the value of the securities in your account will fluctuate in value over time. A Model is a fixed weight percentage for each security with an allowable amount of deviation ("drift") from those percentages. In RPM the drift percentages are established by your IAR. In RAA and GP, you establish the drift percentages, based on your IAR's advice. For the Rep Directed program, Envestnet determines the drift parameter for the cash allocation.

For example, a Model where a security has a fixed weight of 10% relative to the entire portfolio, with a 4% drift parameters, the security can increase to 14% of your entire portfolio or decrease to 6% of your portfolio before the rebalance process will require a trade.

**Eagle's Role.** We act as an investment adviser in the Representative Directed Programs and, through our IARs, are responsible for initial and ongoing contact with you. Your IAR gathers information from you or helps you complete an RTQ to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal. The Proposal includes Eagle's recommended Portfolio Objective based upon the responses to the RTQ and describes the recommended Securities and their corresponding security weights and drift parameters (the Model). Your account will be assessed for rebalancing based on the rebalancing frequency and the criteria that you have selected. Please see the *Rebalancing Representative Directed Accounts* section above for additional details on how rebalancing works for each Representative Directed Program.

Your IAR is also available to consult with you at least annually to review any changes to your account, investment objective, financial situation or account restrictions. Please see the *Tailoring Services to Client Needs* section within Item 6 below for additional information on how Eagle customizes services for Clients.

We, or a vendor we select, also perform ongoing research and due diligence reviews on the available Securities within the Representative Directed Programs. Please see Item 6 (*Portfolio Manager Selection and Evaluation*) below for more information regarding the research process.

**Investnet's Role.** Investnet, an unaffiliated investment adviser, is the Platform Manager and provides the platform that we and our IARs use to provide advisory services in the Representative Directed Programs. Investnet does not act as your sub-adviser in the Representative Directed Programs. The trading and execution process in the GP program is different than that of the RAA and RPM programs. In the GP program, at account inception, Investnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the Model and invests all cash proceeds (except for Protected Cash, as described below) according to the Model. Subsequent changes to your model are made after you and your IAR complete a Goal Modification service request. These changes are then placed by Investnet.

Investnet may not place trades in GP accounts until the next business day after the goal modification has been entered into the Investnet system, and the applicable paperwork is received. A delay in trade execution can cause you to pay a higher price when buying securities or receive a lower price when selling securities. In addition, in the Representative Directed Programs, Investnet will be responsible for conducting the rebalancing assessment, generating the necessary rebalancing trades and for either notifying your IAR that account rebalancing may be necessary (for RAA and RPM accounts) or rebalancing the account (for GP accounts). Please see Investnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must complete and sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS' Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment and maintenance, trade processing, trade confirmation and reporting, and deduction of applicable fees for your account. These services are further described in the Managed Account Application and Client Agreement you sign.

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#### 4. UNIFIED MANAGED ACCOUNT

The LWP Unified Managed Account ("UMA") Program has three program classifications that qualifying Eagle IARs may offer to clients: UMA Discretionary, UMA Non-Discretionary, and UMA Non-Discretionary Managed Products. The UMA Program offers you an overall account utilizing at least three strategies from the Fund Advisory (FA), Separately Managed Account (SMA), Representative Directed Programs

(described above) and/or individual securities (the “Investment Products”) that, together, are consistent with your Portfolio Objective. When creating your asset allocation, you and your IAR will establish a fixed weight percentage (or “portfolio weight”) for each Investment Product within your account. You should evaluate the relative benefits and costs of the UMA Program against other wrap fee programs, such as having separate accounts for each Investment Product that you are considering for inclusion in the UMA. For additional information on your portfolio weight as it relates to investment products please see the ‘Drift’ section below.

The two UMA Programs are:

- 1. UMA Non-Discretionary.** Your Eagle IAR manages UMA accounts on a non-discretionary basis, consistent with your Portfolio Objective. With your consent, IARs may buy, sell or hold individual securities and/or FA and SMA strategies and alter their asset allocations within your account’s Portfolio.
- 2. UMA Discretionary.** In this program, by signing an addendum to your Client Agreement, you grant your Eagle IAR discretionary authority over your account. Pursuant to that authority, your IAR creates a Portfolio of Investment Products (defined above) and their portfolio weight and rebalances the portfolio among the Investment Products. Clients participating in the UMA Program can invest assets across multiple strategies. The Portfolio is provided to you with the Proposal. The SIS, which you must sign prior to opening a UMA Discretionary account, will reflect the model name as shown in the Proposal. By signing the SIS, you indicate your approval of the Portfolio.

In the UMA Discretionary Program, once the account is open and funded, the Eagle IAR’s discretionary authority is limited to:

- **UMA Investment Product Replacement** – The IAR will be able to replace a security (for the portions of the account that are not managed by a Sub-Manager) or replace a Sub-Manager’s strategy without notifying you or obtaining your approval. This action is taken when the IAR decides that an existing security or strategy within the current Portfolio should be sold and replaced with a new security or strategy. These security or strategy replacements will not increase the overall risk tolerance of the Portfolio Objective that you agreed to in the SIS.
- **Rebalancing** – When the IAR changes the Portfolio (e.g., replaces a security or a Sub-Manager’s strategy or changes weight parameters, etc.), Envestnet will initiate a rebalancing assessment of the various Investment Products to determine if a rebalance is needed to bring the Investment Products back in line with the new Portfolio weight parameters. Rebalancing an account will cause trades to occur within the account when the position weights exceed the drift parameters (defined below) of the Portfolio. The above types of rebalancing can occur at any time, without your prior notification or approval. Please see the Rebalancing UMA Accounts and Drift sections below for additional information.

Except as described above, all other Model adjustments within the UMA Discretionary Program require your prior consent. You may only participate in the UMA Discretionary Program if your IAR meets Eagle's qualifications to provide discretionary services. Interested Clients should contact their IAR for additional information.

**Rebalancing UMA Accounts.** Rebalancing is a process where your account is compared to the Portfolio (i.e., the Investment Products, their portfolio weight, and applicable drift parameters) that you established with your IAR to determine if securities need to be bought or sold to return your account to the allocations prescribed in your established Portfolio. If your Portfolio is outside of its parameters at the time of the rebalancing assessment, Envestnet will place trades to return your account to within the allocations agreed to in your SIS. If your Portfolio is within the defined criteria above at the rebalancing assessment, trades will not occur in your account. The rebalancing process is further described within the Client Agreement.

**Rebalancing Assessment Frequency.** At a minimum, Eagle requires that Accounts in the UMA Programs be reviewed for rebalancing annually. You can select a rebalancing frequency of quarterly, semi-annually or annually, which is reflected on, and agreed to when you sign, the SIS. Accounts are assessed by Envestnet at the frequency you select, which is measured from the account opening date (for new accounts) or from the date of the last rebalancing action or rebalancing review.

In addition to the rebalancing frequency that you have specified, Envestnet analyzes UMA accounts daily to determine if a rebalance is required based on the following reasons:

- There are positions in the account that are not part of the Model;
- A Client has added or withdrawn cash from the account;
- There is insufficient cash to pay Program fees; or
- A Goal Modification or service request has been made in the Envestnet system (such as a Model change).

**Drift.** Due to market appreciation and depreciation, the value of securities in your account will fluctuate over time. When the securities within each Investment Product become overweighted or underweighted in value relative to the fixed weight percentage set for the Investment Product within your Portfolio, it is said to "drift." Drift is the movement of a security's weight percentage relative to the fixed weight percentage that has been set for it. Envestnet implements the allowable drift range (or "drift parameters") for Investment Products in UMA accounts; however, you, together with your IAR, determine the drift parameters for each Security (for Representative Directed sleeves and individual securities) that is held within a UMA account. In this way, the value of your securities can fluctuate up to a certain weight percentage before they are required to be rebalanced back to within your Model parameters.

**Eagle's Role.** We act as an investment adviser in the UMA Program and, through our IARs, we are responsible for initial and ongoing contact with you. Your Eagle IAR gathers information from you or helps you complete an RTQ to determine your investment objective and risk tolerance. We then provide you with a personalized investment proposal. The Proposal includes recommendations for your investments

in the available UMA Investment Products and their associated portfolio weights. You work with your IAR to select the mix of UMA Investment Products based on your risk tolerance, asset class, and investment strategy preferences.

Your Eagle IAR is also available to consult with you, at least annually, to review any changes to your account, investment objective, financial situation, or account restrictions. Eagle and its IARs are responsible for communicating any changes in your investment objectives, financial profile information or desired account restrictions to Envestnet, which notifies the Sub-Manager, as applicable. We, or a vendor we select, also perform ongoing research and due diligence reviews on all available Investment Products. Please see Item 6 (*Portfolio Manager Selection and Evaluation*) below for more information regarding the research process and for additional information regarding investment restrictions.

***Sub-Manager's Role.*** The Model Delivery Sub-Managers provide a Model to Envestnet, and Envestnet then trades in accordance with the UMA Portfolio. Once the account is opened, the Model Delivery Sub-Managers update their Models and provide the updated model to Envestnet. Executing Sub-Managers, if utilized, will manage and trade their portion of the UMA Portfolio. Executing Sub-Managers have the authority to make investment decisions for client accounts utilizing their strategy and initiate transactions to buy, sell, reallocate or rebalance securities within their strategy on your behalf without seeking prior approval or first discussing these investment decisions with you. The Sub-Managers are also responsible for ongoing research of the underlying securities selected for the portfolio. For more information, please reference the Sub-Manager's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

***Envestnet's Role.*** Envestnet, as the Platform Manager, provides certain investment advisory, trade execution and account-related services. Envestnet implements and trades the UMA model based on the model portfolios provided by the Model Delivery Sub-Managers or by the IARs (for Representative Directed models or individually selected securities) and is responsible for the overall management of the account, including rebalancing and reallocating. Envestnet has the authority to make investment decisions for client accounts and initiate transactions to buy, sell, reallocate or rebalance securities on your behalf without seeking prior approval or first discussing these investment decisions with you. At account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the UMA model portfolio and invests all cash proceeds (except for Protected Cash, as described below) according to the model. For information regarding trade confirmations, please see the *Regular Reports Provided to Clients* section in Item 9 below. For information regarding proxies and proxy voting, please reference the *Proxy Voting* section within Item 6 below. Please see Envestnet's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

Envestnet|PMC may also provide optional consulting services to qualified IARs, such as recommending appropriate Envestnet|PMC solutions and consulting on possible UMA model build-outs and investment allocation techniques. Please reference the *Optional Features Available in LWP Accounts* section within Item 4 below for more information about other consulting services available from Envestnet|PMC.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must complete and sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS' Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment and maintenance, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

## OPTIONAL FEATURES AVAILABLE IN LWP ACCOUNTS

### TAX MANAGEMENT SERVICES – AVAILABLE FOR CERTAIN SEPARATELY MANAGED ACCOUNTS AND UNIFIED MANAGED ACCOUNTS

The optional Tax Management Services were closed to new participants in July 2018. Existing clients enrolled in these services will no longer receive the services as of March 2019.

Through Envestnet, Eagle offers two types of tax management services (collectively, "Tax Management Services") that grant Envestnet discretionary authority to effect transactions consistent with the selected program's guidelines. Only certain equity SMA strategies (or UMA accounts that hold only those equity SMA strategies) can use Tax Management Services.

The two types of Tax Management Services are:

- 1. Ongoing Tax Management Service.** This service authorizes Envestnet to trade your account with "tax-aware" portfolio management techniques. Envestnet uses optimization software that applies predefined rules to keep your portfolio sufficiently close to the Sub-Manager's model portfolio. The software considers the tax implications of trading (the capital gain(s) or loss(es) generated by buying or selling an investment) that may detract from your after-tax returns. This service is designed for Clients with managed taxable accounts who are seeking to minimize the impact of taxes on their returns and who are willing to accept some deviation from the holdings and performance of their selected Sub-Manager's model portfolios.
- 2. Tax Transition Service.** This service offers a customizable solution for Clients who want to control and customize their realization of unrealized gains or losses that are embedded in their portfolios, or who have other unique circumstances that require an individualized strategy. The Tax Transition Service is designed for Clients with managed taxable accounts who are seeking to provide some guidelines regarding their circumstances to influence the impact of taxes on their returns and who are willing to accept deviation from the holdings and performance of their selected Sub-Manager's model portfolio.

Envestnet's trading strategies within the Tax Management Services may conflict with its trading strategies for implementing a Sub-Manager's model portfolio and/or rebalancing the portfolios of clients who do

not use the Tax Management Services. In the event of any such conflict, the trading strategies employed by the selected Tax Management Services will control, and conflicting Investnet and/or Sub-Manager investment recommendations will not be implemented. As a result, as compared with the selected model portfolio, if you employ the Tax Management Services: (i) your account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities; and (ii) your account's composition and performance may vary significantly from that of Client accounts that did not employ the Tax Management Services.

As with all Eagle programs, Eagle and the Eagle IAR do not render tax, accounting, or legal advice, and you should seek advice from an independent tax advisor based on your own circumstances.

The effectiveness of Tax Management Services depends on the accuracy of the cost basis information that you furnish as well as the method that you select for tax lot disposal. Eagle and Investnet have no obligation to assess the accuracy of any tax basis information that you furnish, nor do they have any obligation to ascertain the tax basis of any positions for which you do not furnish cost basis information. Eagle and Investnet shall be entitled to rely solely on the cost basis information that you furnish and shall not be liable for any losses you may incur because of not providing accurate or complete tax basis information. Additionally, neither Eagle nor Investnet shall have any obligation to assess the accuracy or appropriateness of the tax lot disposal method that you select or be liable for any losses that you incur as the result of selecting a tax lot disposal method.

Since the portfolio performance of an account enrolled in the Tax Management Services may deviate from that of the model portfolio, your quarterly performance may significantly differ from the comparable benchmark referenced in your quarterly performance report. Please see Investnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information. Please reference Item 4C (*Additional Information Regarding Fees and Compensation*) for information regarding fees.

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## OVERLAY SERVICES

Through Investnet, Eagle offers a portfolio Overlay Service ("Overlay") which grants Investnet discretionary authority to effect transactions consistent with the selected program's guidelines. Only certain equity SMA strategies held within a UMA account can use an Overlay. Please keep in mind, your account's composition and performance may vary significantly from that of client accounts that did not employ an Overlay.

Please reference Item 4C (*Additional Information Regarding Fees and Compensation*) for information regarding fees.

The two types of Overlays are:

1. Tax Overlay
2. Impact Overlay

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## TAX OVERLAY



Tax Overlay is an optional service for clients who seek to mitigate the impact taxes have on their portfolio. The goal of the tax overlay service is to minimize, and in some cases eliminate, short-term capital gains within the portfolio.

You will work with your IAR to provide Investnet with a tax budget for the current and subsequent years that Investnet will use to control the realization of gains in your portfolio. With this tax budget in mind, Investnet utilizes a tax-optimization engine that considers the taxable impact of all potential security sales in the UMA account using a “versus purchase” trading methodology for equities in which Investnet will choose the specific lots, while non-equity positions use the tax lot cost disposal methodology selected in the application. This analysis will result in Investnet coordinating the holdings across manager sleeves, matching gains and losses throughout the calendar year when possible, harvesting losses to offset previous gains, or deferring sales to avoid short-term gains.

**Tracking Error.** Investnet closely monitors tracking error introduced in the portfolio as a result of deferring gains and/or holding non-model securities in the account. Investnet seeks to limit the amount of tracking error while also balancing the tax implications of each transaction in the account.

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## IMPACT OVERLAY

**Overlay Restrictions.** Investnet offers an overlay restriction program that allows clients to apply customized impact restrictions to their investment portfolios in the UMA program.

### **Impact Best in Class Restriction Criteria**

The Impact Best in Class restriction criteria are designed for clients aiming to achieve alignment between their values and their need to ensure the prudent management of their investments. They exclude companies involved in the production and/or distribution of certain products such as weapons, alcohol, nuclear power, adult entertainment, and tobacco. The Impact Best in Class restrictions also allow clients to avoid companies involved in major environmental, social, and/or governance controversies in which the company’s operations have major negative impacts on the environment, society at large, and/or external stakeholders.

### **Impact (Plus) Strict Restriction Criteria**

The Impact Strict restrictions are designed for clients who want to integrate more stringent product involvement and environmental/social criteria into their investments. They seek to minimize exposure to companies with specific products, services, and operations that do not meet the personal convictions criteria set by you. The company’s involvement in the operations, production, and distribution of certain products (to be chosen at your request), which may include weapons, alcohol, nuclear power, adult entertainment, and tobacco, is given a low tolerance threshold based on annual revenues. The Impact Strict restriction also allow clients to avoid companies with significant controversies or incidents that endanger the health and well-being of the environment, employees, customers, and society.

Please review Investnet’s ADV Part 2A Appendix 1 for additional information on Overlay Services.

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## INSURANCE AND ANNUITIES

**Reporting on Insurance and Annuities.** Clients can choose to have the values of their New York Life insurance and annuity policies reported on Eagle Client materials (e.g., quarterly performance reports). Interested clients should discuss this feature with their IAR and complete the necessary paperwork. Any insurance and annuity policies listed on Eagle Client materials are for informational purposes only. You should rely on the official policy statements (such as the Annual Policy Summary or the Quarterly Statement) you receive from the issuing insurance company to determine policy values and for evaluating any insurance and annuity products that you own.

**Insurance and Annuity Products and Your Account.** We do not provide investment advisory services for any insurance or annuity product, even when such products are reported in Eagle Client materials, nor do we include the value of any insurance and annuity policies in determining your Total Client Fee.

The IAR acts solely in his or her capacity as an insurance agent of New York Life, Eagle's parent, when discussing, recommending or selling insurance issued by that company, as an insurance agent of NYLIAC, another Eagle affiliate, when discussing, recommending or selling annuity products issued by that company or as an insurance agent of an unaffiliated insurance carrier when selling other insurance and annuity products and will receive compensation from New York Life, NYLIAC, or the unaffiliated carrier, as applicable, for the sale of such products. You are not required to purchase a New York Life insurance policy to protect your human capital or a NYLIAC annuity to provide for income. Receiving a recommendation for life insurance from your insurance agent does not guarantee you will be underwritten for, or issued, a policy.

You will pay a separate premium (non-advisory fee) to the issuing insurance company to cover the cost of any insurance or annuity product you may purchase. Commissions and other compensation paid to insurance agents of New York Life and NYLIAC are within the limits set by Section 4228 of New York State Insurance Law.

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## MULTIPLE MARGIN PROGRAM – AVAILABLE FOR CERTAIN SMA, UMA, RAA AND RPM ACCOUNTS

The Multiple Margin Program ("Multi-Margin Program"), which is offered by NFS, accommodates Clients seeking to borrow cash against the value of certain assets held within eligible SMA, UMA and RAA and RPM accounts. This program allows you to engage in margin borrowing against multiple accounts (up to 24 accounts) that are established under the same ownership/registration and to segregate the margin loan in its own account to avoid issues with managed account billing or performance reporting. The Multi-Margin Program account that holds the margin loan will be classified as the "Primary" account, and managed account fees will be calculated independently of the debit balance and will continue to be assessed on Billable Assets (described below). For additional details regarding the assets on which fees

will be charged, please contact your IAR. This program is only available through IARs who meet Eagle's qualifications to offer these services.

Program Eligibility and Requirements:

- The program is only available to Clients with non-retirement accounts in the RAA/RPM program and within certain SMA strategies (or within RAA/RPM and certain SMA strategies consolidated under a UMA). Please ask your IAR for a list of available SMA strategies.
- Individual equity, bonds, and certain ETF, ETN and mutual fund positions held within RAA/RPM and SMA accounts (or RAA/RPM and SMA strategies consolidated under a UMA) are eligible to be used as collateral and included in the Multi-Margin Program account relationship.
- Clients must have a minimum of \$500,000, excluding Unsupervised Assets, in total LWP Program assets at the time of the multi margin request to be eligible for this Program.

Clients participating in the Multi-Margin Program will be required to sign a Margin Agreement with NFS. Neither Eagle nor our IARs receive revenue if you participate in the Multi-Margin Program. Please see the NFS Margin Disclosure Statement and Margin Account Agreement, available from your IAR, for additional important information regarding the Multi-Margin Program.

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**SECURITIES BACKED LINE OF CREDIT PROGRAM – AVAILABLE FOR CERTAIN SMA, UMA, RAA AND RPM ACCOUNTS**

The Securities Backed Line of Credit Program, offered by participating non-affiliated banks (such as US Bank, TriState Capital Bank and Bancorp), accommodates Clients seeking a flexible line-of-credit (cash loan) secured by their Eagle accounts. Eagle offers this service solely as an accommodation to interested Clients. Neither Eagle nor its IARs are recommending or providing any advice with reference to any particular bank or loan. This Program is not part of Envestnet's platform or services, and Eagle and its IARs receive no additional fee for the service. This program is available only for clients who meet certain criteria established by Eagle.

The line of credit would be secured by certain assets held within eligible SMA, UMA, RAA and RPM accounts. Multiple accounts with different registrations can usually be pledged for one loan. Interested Clients will need to complete a loan application and loan agreement through the participating bank, and the bank will determine the line of credit that a Client may be eligible for, subject to the underwriting of the Client and the assets held within the Client's accounts. Clients utilizing this program will need to receive bank approval before making any distributions from their Eagle accounts (aside from dividend payments and applicable Program fees) and will be solely responsible for ensuring compliance with the terms of the bank loan agreement. For additional information, including the risks associated with this loan program and the role of Eagle and your IAR, please contact your IAR and review the bank's agreement. Please also see Item 4C (*Additional Information Regarding Fees and Compensation*) for information regarding applicable fees.

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## TRUST SERVICES – COMERICA TRUST SERVICES AND RELIANCE TRUST COMPANY

Eagle has an arrangement with Comerica Trust Services (“Comerica”) and Reliance Trust Company of Delaware (“Reliance”), which are not affiliated with Eagle, that permits you to select one of these firms to act as an independent corporate trustee for your trust accounts invested within certain LWP FA, SMA and Non-Discretionary UMA programs. Comerica and Reliance charge a fee for their services. When you select this service, Comerica or Reliance, as the corporate trustee, is responsible for ensuring that your trust account is administered in accordance with the trust agreement. Please contact your Eagle IAR for more information regarding this program and the necessary paperwork. Please consult your attorney and/or tax adviser to determine if trust services are an appropriate solution for you. For information regarding applicable fees and charges for this program, please reference Item 4C (*Additional Information Regarding Fees and Compensation*) below or contact your IAR.

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## DONOR-ADVISED FUND PROGRAM – FIDELITY CHARITABLE

Clients may open a donor-advised fund account (or “Giving Account<sup>®</sup>”) through the Fidelity<sup>®</sup> Charitable Gift Fund (“Fidelity Charitable”), an independent public charity. A Giving Account allows Clients to select from qualified FA and SMA strategies or a Non-Discretionary UMA containing only such qualified strategies to manage the charitable assets held in their Giving Account, in accordance with the Fidelity Charitable Investment Advisor Program Investment Guidelines. Please contact your IAR for a copy of these guidelines. Once a Giving Account is open, anyone can donate to the account on a tax-deductible basis. Donations to a Giving Account are irrevocable.

Giving Accounts are included in the Client’s quarterly performance reports from Envestnet. Fidelity Charitable will also send clients a quarterly statement detailing charitable contributions to, and grants made from their Giving Accounts, and applicable IRS forms for use during tax preparation. Clients should consult with their tax advisor for any additional questions on the benefits of using a program such as Fidelity Charitable. Please contact your Eagle IAR for more information regarding this program, applicable paperwork and program requirements, and see Item 4C (*Additional Information Regarding Fees and Compensation*) for information regarding applicable fees.

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## BANK CHECKING ACCOUNT, CHECK WRITING & AUTOMATIC BILL PAYMENT SERVICES

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any Client assets, in offering clients various account related services, some of which are described below, Eagle has authority that cause it to be deemed to have custody under the Advisers Act.

***Bank Checking Account and Check Writing.*** Clients can elect to link the sweep money market position in their LWP accounts held at NFS to a third party bank checking account. This enables the client to write checks and authorize payments from these sweep money market funds. This program is available through BNY Mellon and is subject to NFS’ and Eagle’s approval. When writing checks, funds are transferred from

the client's LWP account sweep money market position to the Client's bank account for the sole purpose of facilitating payments.

NFS also offers eCheck (Direct Debit Access), which allows clients to request that a Direct Debit Account ("DDA") be created without a physical checkbook being issued. This service allows authorized payees to debit the sweep money market fund in a participating LWP account via an Automated Clearing House ("ACH") transfer using the DDA and routing number associated with a Client's sweep money market fund. Clients must ensure they have adequate funds in their sweep money market position to cover the amount of their check or DDA obligations. Interested clients should discuss this feature with their IAR and review required paperwork agreeing to the terms of the check writing or DDA service. See Item 4C (*Additional Information Regarding Fees and Compensation*) for more information.

***Automatic Bill Payment Services and Payment of Insurance Premiums or Financial Planning Fees.***

Automatic bill payment within LWP accounts is a service that permits Clients to authorize another company to debit a bank checking account that is linked to their LWP account (described above) to pay for bills such as premium payments or utility bills.

Clients can also authorize our affiliates, such as New York Life or NYLIAC, to debit a third party bank checking account that is linked to their LWP account (described above) to pay for specified monthly premiums for which the client is responsible. Interested clients should discuss this feature and required paperwork with their Eagle IAR. See Item 4C (*Additional Information Regarding Fees and Compensation*) for more information.

Clients can also authorize Eagle to debit their LWP account to pay for Financial Planning engagements.

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## PROTECTED CASH

***Investnet's Protected Cash Feature.*** Protected Cash is a feature available through Investnet that allows Clients to temporarily maintain a designated amount of cash within their LWP account. Protected Cash is excluded from the Advisor Fee and Sponsor Fee - Administrative Fee (described below) computation but is included in the other Sponsor Fee components (described below) computation. See Item 4C (*Additional Information Regarding Fees and Compensation*) for more information.

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## UNSUPERVISED ASSETS

***Investnet's Unsupervised Assets Feature.*** Unsupervised Assets, or securities held "below the line", are securities that are not part of the managed portion of your Eagle account but that you wish to include for aggregation and consolidation purposes. Unsupervised Assets are not considered in calculating the managed portion of your account's performance. As Eagle does not manage Unsupervised Assets, we will not charge you an advisory fee for them. As such, they are not included in the computation of the Total

Client Fee (described in this Brochure). See Item 4C (*Additional Information Regarding Fees and Compensation*) for more information.

## ACCOUNT OPENING

For all Programs described within this Brochure, an RTQ must be completed as described for each program above. Your IAR will also provide you a Proposal and SIS, which list your fee, the investment products and Portfolio for the LWP Program(s) you have selected.

To open an LWP account, you must sign a Client Agreement with us. Under this agreement, we assist and advise you in establishing your Portfolio Objective, developing an asset allocation and/or establishing a schedule for rebalancing your account as necessary. Pursuant to this agreement, you must also enter into a relationship with NYLIFE Securities and NFS by signing the Managed Account Application and opening a brokerage account, through which trades in your LWP account will be processed. We also assist you in completing the Managed Account Application, which details the account's registration, holders, suitability information, and other account program characteristics.

## FEES

**Wrap Fee.** For the programs described in this Brochure, you pay Eagle an asset-based fee ("Total Client Fee"), which is a "wrap fee" in that you pay a single charge to cover certain services provided such as investment advisory services, custody, trade execution (if through NFS) and compensation to your IAR(s). However, there are certain other account fees and charges that are not included within your Total Client Fee. Please reference Item 4C (*Additional Information Regarding Fees and Compensation*) below for information regarding additional fees and charges not covered in the Total Client Fee.

**Calculating your Total Client Fee.** Your Total Client Fee is calculated as a percentage of the Billable Assets (described below) in your account. As a result, your Total Client Fee may fluctuate monthly, depending on the value of Billable Assets in your account at the time of billing.

Billable assets ("Billable Assets") are those assets in your account for which Eagle provides investment advisory services and bills on. Generally, Billable Assets include the securities and cash positions in your Eagle account. As an accommodation to clients, we may permit you to have certain assets in your account that are excluded (either fully or partially) from the calculation of Billable Assets, such as assets identified as Unsupervised Assets, Protected Cash or affiliated funds within retirement accounts. Please see Item 4C (*Additional Information Regarding Fees and Compensation*) below for information regarding Unsupervised Assets, Protected Cash and affiliated funds and how they are billed.

The Total Client Fee you pay is also impacted by applicable "Asset Tiers" and "Household" discounts as explained further below. Please refer to your SIS and quarterly performance reports for additional detail

on the actual fees you are charged. Please also consult with your IAR and see below for more information regarding these features and how they affect your Total Client Fee.

For details on the maximum Total Client Fees you are charged, see the fee chart below. See *Payment of Advisory Fees* below for details on how you are billed and refer to your SIS and quarterly performance reports for additional details on the actual fees you are charged. If you have questions regarding your fees, please contact your IAR.

For UMA accounts, the Total Client Fee is always calculated based on the target weight for each sleeve (Sub-Manager/Advisor selected positions).

***Components of your Total Client Fee and Compensation Information.*** This section describes the components of your Total Client Fee and the firms and individuals that receive compensation derived from the fees you pay:

- **Advisor Fee** - The Advisor Fee is the fee charged by your IAR(s) and ranges from 0% to 1.50% of the Billable Assets in your account. The Advisor Fee is negotiable. Eagle, through its IARs, determines the Advisor Fee depending, in part, on: the Program selected, your expected account size, the anticipated number of trades and/or types of securities being traded, your individual circumstances and the scope of advisory and other client services to be rendered. The Advisor Fee that you pay is set forth in the SIS, which you must sign prior to opening the Program account. If you have questions regarding your fees or want additional information regarding the Asset Tiers or Household (see *Asset Tiers* and *Household* discussions below) that may affect the fees that you pay for your account, please contact your IAR. Eagle retains a portion of the Advisor Fee and pays the remainder to the IAR.
- **Sponsor Fee** - The Sponsor Fee ranges from 0% to .82%, and its components are as follows:
  - **Administrative Fee** - This fee covers platform costs, trading costs and Eagle's internal costs. Eagle retains a portion of this fee, and the remainder is paid to Envestnet and NFS. Generally, Eagle reserves the right to negotiate this fee for clients investing \$20,000,000 or more with Eagle.
  - **Platform Fee** - This fee covers ancillary costs, such as technology, platform infrastructure and reporting, and is retained by Envestnet.
  - **Clearing and Execution Fee** - This fee covers trading, custody, clearing and execution costs. Eagle retains a portion of this fee and the remainder is paid to NFS.
  - **Sub-Manager Fee** - This fee covers the portfolio management services costs for both the Platform Manager (Envestnet) and the Sub-Manager. Envestnet retains a portion of this fee, and pays the remainder to the Sub-Manager.

The table below displays the maximum fee for each LWP Program. The ranges in the Sponsor Fee reflect the variations in manager pricing within the FA, SMA, and UMA programs. Please ask your IAR and see section 4A (*Services Fees and Compensation*) for additional information regarding fees and discounts you may be eligible to receive. Please review section 4C (*Additional Information Regarding Fees and Compensation*) below for additional fees and charges not covered in the chart below.

| <b>Programs</b>                                     | <b>Advisor Fee</b> | <b>Sponsor Fee<sup>2</sup></b> | <b>Total Client Fee</b> |
|---|--------------------|--------------------------------|-------------------------|
| <b>FA</b>   | 1.50%              | .24% <sup>3,4</sup> -.61%      | 1.74%-2.11%             |
| <b>SMA (Fixed Income Strategies)</b>                | 1.50%              | .38% <sup>4</sup> -.58%        | 1.88%-2.08%             |
| <b>SMA Program (Equity and Balanced Strategies)</b> | 1.50%              | .58% <sup>4</sup> -.82%        | 2.08%-2.32%             |
| <b>Representative Directed Programs</b>             | 1.50%              | .15% <sup>5</sup>              | 1.65%                   |
| <b>UMA Programs</b>                                 | 1.50%              | .27%-.80%                      | 1.77%-2.30%             |

<sup>2</sup> The Sponsor Fee includes the Administrative Fee, Platform Fee, Clearing and Execution Fee and Sub-Manager Fee. Please reference Item 6 (*Payments to Sub-Managers*) for additional information regarding Sub-Manager fees. Please contact your IAR for a list of FA, SMA and UMA Sub-Managers.

<sup>3</sup> Depending on the Sub-Manager selected by the Client, accounts opened prior to June 1, 2017 received a lower Sponsor Fee. In certain limited circumstances, Clients who receive this lower fee and make changes to their account, may be eligible to retain this lower pricing in their account. Please contact your IAR for additional information and to determine eligibility for continued lower pricing after changes.

<sup>4</sup> For accounts opened prior to July 1, 2017 the Sponsor Fee-Administrative Fee may be lower than the range indicated. Clients receiving this lower fee who make changes to their account, in limited circumstances, may be eligible to retain this pricing. Please contact your IAR for additional information and to determine eligibility for continued lower pricing after changes.

<sup>5</sup> In the Representative Directed Programs, the Sponsor Fee does not contain a Sub-Manager Fee component and therefore your Sponsor Fee will be lower than other programs described in this brochure even if your Total Client Fee is the same.



**Changing Fees.** Clients who signed account agreements after April 2013 have agreed and acknowledged that Eagle reserves the right to change your agreed upon fee by providing written notice to you. You may revoke your consent to any fees or reject any fee increases at any time by terminating your account.

**Asset Tiers.** Certain fees (within your Total Client Fee) are based on asset tiers that are set by Eagle. With Asset Tiers, you will be charged a lower fee when your account's Billable Assets exceed, or a higher fee when they fall below, a specific target value at the time of billing. When you meet an Asset Tier, that fee and, thus, your overall Total Client Fee will be reduced or increased accordingly. For the Representative Directed program the new fee will be applied to all assets within the account once the target value is met. For all other programs the new fee will be applied only to assets within each Asset Tier. Please speak with your IAR for more information about your fee schedule and when Asset Tiers are applicable to your account.

**Household Discounts.** If you own multiple LWP accounts the Advisor Fee and the Sponsor Fee-Administrative Fee may be discounted based on total eligible assets that your Household invests with Eagle. A Household consists of those eligible accounts that you ask your IAR to combine for purposes of fee calculation. Please contact your IAR for additional details, including determining if you are eligible for this discount and, if so, to have it applied.

**Payment of Advisory Fees.** The fee for LWP accounts is payable monthly, in advance. The first month's Total Client Fee is calculated based on the initial billable value, is prorated based on the number of days in the month in which the account was open and funded, and is assessed in the first full month after the account was funded. Once your account is open and funded, contributions or withdrawals on a single day greater than \$10,000 will result in a prorated debit or credit, as applicable, to the ensuing month's Total Client Fee based on the number of days from the date of the contribution or withdrawal to the end of that month. If an account is terminated, Eagle will prorate the Total Client Fee to the date of termination and will return the unearned portion of the fee to you. If you terminate your account in the same calendar month as you make a contribution or withdrawal, we will adjust your monthly fee for the termination but not the contribution or withdrawal. This means only the termination event adjustment will be processed. Under certain limited circumstances, Eagle allows direct billing from other accounts where one Eagle LWP or one NYLIFE Securities account can be designated to pay the fees for multiple Eagle LWP accounts. If there is not enough cash to cover advisory fees in your account securities may be sold to raise cash. For additional information, please reference your Client Agreement and Managed Account Application.

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over client assets, offering various account related services, some of which are described above, provides Eagle with authority that cause it to be deemed to have custody under the Advisers Act.

## B. COMPARING COSTS

Investment advisory services, if purchased separately, could cost more or less than if paid for on a “wrap-fee” basis. In addition, the fee for your account could also be: (i) higher or lower than the costs incurred if you purchased the underlying securities in a brokerage account; and (ii) higher or lower than the cost of similar services offered through other investment advisory programs at Eagle or elsewhere. You should consider these factors and other differences among the LWP Programs when deciding whether to invest in an investment advisory or a brokerage account and which investment advisory programs or firms best suit your individual needs. This differential in pricing and costs creates a conflict of interest for Eagle and Eagle IARs, as there is a financial incentive to recommend higher priced programs.

You should also be aware that the underlying expenses of mutual fund, ETF and ETN shares purchased in an Eagle Program account could be higher or lower than if such products were purchased outside of an advisory account. If such products were purchased outside of an advisory account, however, you would not receive the benefit of Eagle’s investment advisory services.

In addition, the relative cost of the program – as compared to purchasing the services separately – will depend on several factors, including (but not limited to):

- The costs associated with receiving the services if provided separately;
- The frequency or volume of trading activity, or lack thereof, in your account; and
- The associated costs of trading.
- The combination of such fees if provided separately may be higher or lower than a single wrap fee.

## C. ADDITIONAL INFORMATION REGARDING FEES AND COMPENSATION

### Additional Information Regarding Fees:

- 1. Fees and Expenses of Mutual Funds and Exchange-Traded Funds and Notes.** If your LWP account holds mutual funds, ETFs or ETNs (collectively, “Funds”), these securities have their own internal fees and expenses, which are separate from the program fees described above. These fees and expenses are more fully described in each Fund’s prospectus. These fees include, but are not limited to, management fees, other fund expenses, and possible distribution fees. Within the LWP Programs, Eagle and the Sub-Managers make available no-load or load-waived mutual fund share classes, which do not assess an initial sales charge for purchases , or a deferred sales charge for redemptions. Please note if you transfer in a mutual fund and redeem it, you may be subject to a deferred sales charge per the prospectus. You can invest in a Fund directly without also paying for, and receiving, Eagle’s services. You should review both the Fund’s internal fees and the fees charged by Eagle to fully understand your total costs of investing.

- 2. Short-Term Redemption Fees.** Some mutual funds charge short-term redemption fees. Short-term redemption fees are typically assessed when a mutual fund is sold after being held for a short period of time, as defined in the fund’s prospectus. These fees are imposed by the mutual fund company to discourage short-term trading. Short-term redemption fees may be incurred because of a liquidation, rebalancing or reallocation of funds that were held for a short period of time. Such fees are retained by the fund company and are currently reflected on trade confirmations as “commissions”. Before you sell or liquidate a fund, you should consider whether it assesses a short-term redemption fee. Please consult with your IAR if you have any questions about these fees and see the prospectus of the particular fund for more information.
- 3. Account Service Fees and Charges to Clients.** Depending on the Program, you may be assessed fees, expenses and other costs by NFS and Eagle that are in addition to the Total Client Fee listed within the fee chart under “Fees” in Item 4A above. These fees are assessed for certain account-related services, including but not limited to, wire transfers, check disbursements, custodial services, account or securities transfers, stopping payment on checks, or other account maintenance features. In addition, NFS may also impose other account-related charges such as account closing fees. For more information on additional fees and charges, please consult with your IAR or reference the Account Service Fees document available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures).
- 4. Small Account Fees.** Eagle may charge additional fees for accounts with assets below a specified minimum. If assessed, small account fees will be billed monthly on a prorated basis according to the annual fee noted below. This will increase your Total Client Fee beyond the fee ranges noted within the table above. A small account fee adversely affects smaller accounts due to the larger percentage you pay in fees as compared to the amount of assets in the accounts. We may, from time to time, update these account minimums at our sole discretion.

  - **Fund Advisory Program:** As part of the Sponsor Fee, we reserve the right to charge Clients a small account fee of up to \$135 for mutual fund (“MF”) only strategies and up to \$185 for ETF and ETF/MF/ETN strategies. This small account fee covers the clearing and execution costs provided by NFS, as well as Envestnet’s fees, and applies only if the account value falls below \$111,111.
  - **Separately Managed Account Program:** As part of the Sponsor Fee, we reserve the right to charge accounts a small account fee of up to \$400 for equity/balanced strategies and up to \$300 for fixed income strategies. This small account fee covers the cost of clearing and execution services provided by NFS, as well as Envestnet’s fees, and applies only if the account falls below the following account values:
    - \$200,000 for equity and balanced strategies
    - \$285,714 for fixed income strategies
  - **Representative Directed Programs:** If the account’s value falls below \$43,750, we reserve the right to charge Clients an additional small account fee of \$35. This additional fee

covers the cost of clearing and execution services provided by NFS, as well as Envestnet's fees.

- **Unified Managed Account Program:** If an account's value falls below \$225,000, we reserve the right to charge Clients an additional small account fee of \$450. The small account fee covers the cost of clearing and execution services provided by NFS, as well as Envestnet's fees.

5. **Tax Management Services.** Accounts utilizing Tax Management Services will be charged the following annual fees depending on the tax service chosen, which are in addition to the SMA or UMA Program fees noted within Item 4 (*Services, Fees and Compensations*). However, if a program is chosen, your SIS will reflect this additional fee within the Total Client Fee. Envestnet retains all fees associated with Tax Management Services. The optional Tax Management Services were closed to new participants in July 2018. Existing clients enrolled in these services will no longer receive the services in March 2019.

| Chargeable Assets | Ongoing Tax Management Service Fee | Tax Transition Service Fee |
|-------------------|------------------------------------|----------------------------|
| First \$2,000,000 | 0.08%                              | 0.13%                      |
| Next \$3,000,000  | 0.06%                              | 0.11%                      |
| Over \$5,000,000  | 0.05%                              | 0.09%                      |

6. **Overlay Service.** Accounts utilizing the Overlay Service will be charged annual fees, which are in addition to the UMA Program fees noted within Item 4 (*Services, Fees and Compensations*). However, if you choose this service, your SIS will reflect this additional fee within the Total Client Fee. The fee indicated below applies when the first Overlay is elected. The addition of a second overlay does not incur an additional cost. If you own multiple LWP accounts that utilize this service, the Overlay Fee may be discounted based on total eligible assets that your Household invests with the Overlay.

| Chargeable Assets  | Overlay Fee |
|--------------------|-------------|
| First \$10,000,000 | 0.10%       |
| Next \$15,000,000  | 0.08%       |
| Over \$25,000,000  | 0.05%       |

7. **Accounts Utilizing Margin.** Margin is available in certain LWP RAA, RPM, SMA and UMA accounts. If you utilize margin, your Total Client Fee will be based on gross Billable Assets in the account(s). Please see the Margin Disclosure Statement and Margin Account Agreement for additional details on eligibility and fees. See Item 4A (*Description of Programs and Services*) for more information.
8. **Securities-Backed Line of Credit Program.** This program is offered by participating unaffiliated banks (such as US Bank, TriState Capital Bank and Bancorp) and is separate from the services provided by Eagle. Any fees or interest that you may be assessed in using this program are in addition to the fees described in this Brochure. The bank will charge you interest on the amount

of your outstanding loan. The bank may also assess your account with other administrative charges (such as wire fees) as described within the bank's loan agreement. Please review the bank's loan documentation carefully and call your IAR for additional information.

- 9. Trading Away Practices - Markups and Markdowns.** Executing Sub-Managers within the SMA program may place trade orders for Client accounts with broker-dealers other than NFS if they determine that using other broker-dealers would comply with their best execution obligations to Clients. If an Executing Sub-Manager places a trade order with a broker-dealer that imposes a commission or equivalent fee on the trade (including a commission imbedded in the price of the investment (i.e., a markup or markdown)), you will incur additional direct or indirect trading costs. For more information, please reference the *Best Execution and Trading Away* section within Item 6C (*Portfolio Managers for Wrap Fee Programs*). You should also review our Sub-Manager Trading Disclosure Statement (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)) for important information regarding our Executing Sub-Managers' trading away practices, their percentage of Client trades traded away, and any additional costs you may incur.
- 10. Investnet's Protected Cash Feature.** Cash maintained within the Protected Cash feature is not assessed an Advisor Fee, nor is it assessed the Clearing and Execution or the Administrative Fee components of the Sponsor Fee. Therefore, any cash in the Protected Cash status will be assessed a lower overall fee than other cash or Securities since the Advisor Fee, Clearing and Execution and Administrative Fee components of the Sponsor Fee are excluded from the calculation. The Administrative Fee ranges from .09% to .25% depending on the program you select. Please contact your IAR for the exact fees that are not assessed on Protected Cash. See Item 4A (*Description of Programs and Services*) for more information.
- 11. Investnet's Unsupervised Assets Feature.** Unsupervised Assets are not managed by Eagle and are not included in the computation of the Total Client Fee described in this Brochure. Please contact your IAR for more information and see Item 4A (*Description of Programs and Services*) above.
- 12. Trust Services.** When using this program, Comerica Trust Services or Reliance Trust Company of Delaware will charge you an asset-based fee on the amount of Billable Assets in your account, which is in addition to the Total Client Fee described in this Brochure. For additional information please contact your IAR and review the trust agreement.
- 13. Donor-Advised Fund Program – Fidelity Charitable.** Giving Accounts are subject to the Total Client Fee for the LWP Program selected, as described above. In addition, Giving Accounts are assessed an administrative fee by Fidelity Charitable. Fidelity Charitable utilizes one of two administrative fee schedules, shown below, based on the balance of the Giving Account. The annual administrative fee, which is billed monthly, will be reflected on the SIS that you sign prior to opening the Account. Please contact your IAR for more information.

| TIERED FEE SCHEDULE                           |                    | FLAT FEE SCHEDULE                             |                    |
|---|--------------------|---|--------------------|
| For Giving Account Balances below \$5 million |                    | For Giving Account Balances above \$5 million |                    |
| Account Balance                               | Administration Fee | Account Balance                               | Administration Fee |
| First \$500K                                  | 60 bps             | \$5M – \$10M                                  | 19 bps             |
| Next \$500K                                   | 30 bps             | \$10M – \$20M                                 | 17 bps             |
| Next \$1.5M                                   | 20 bps             | \$20M – \$35M                                 | 15.5 bps           |
| Next \$2.5M                                   | 15 bps             | \$35M – \$50M                                 | 13.5 bps           |
|   |                    | \$50M – \$75M                                 | 12 bps             |
|   |                    | \$75M – \$100M                                | 11.5 bps           |
|   |                    | Above \$100M                                  | Please call        |

- 14. Periodic Investment Programs (“PIPs”) and Systematic Withdrawal Plans (“SWPs”).** There is no additional fee to the Client to establish these services. See the *Other Conflicts of Interest* section within Item 5D (*Compensation to Investment Adviser Representatives and Conflicts*) for more information.
- 15. Bank Checking Account, Check Writing and Direct Debit Accounts.** There is no additional fee to the Client to establish this service. See Item 4A (*Description of Programs and Services*) for more information.
- 16. Automatic Bill Payment Services and Payment of Premiums or Financial Planning Fees.** There is no additional fee to the Client to establish these services. See Item 4A (*Description of Programs and Services*) for more information.
- 17. Important Disclosure for Clients Who Are Rolling Over Retirement Account Proceeds.** If you are rolling over the proceeds of an employer-sponsored retirement plan (e.g., a 401(k) plan) (“Plan”) to an Individual Retirement Account (“IRA”), you should consider the following:
- When you roll over the proceeds of a Plan to an IRA, you will likely have more investment options available than you had in the Plan, and you will receive the guidance that your Eagle IAR(s) can provide about your IRA. Your IRA agreement, the product prospectuses, Eagle’s Form ADVs and your Eagle IAR(s) can provide you with more information concerning the fees and expenses involved in establishing an IRA.
  - Instead of establishing an IRA, you may have the option of leaving your money in the Plan. You should review the plan documents and/or contact the Human Resources Department of the company sponsoring the Plan to determine if this option is available to you. You should be aware that the Plan may offer different, but typically more limited, investment options, which may have lower fees and expenses than the investment options that are available for an IRA through Eagle and that the Plan may also assess other administrative costs (e.g., recordkeeping and compliance fees) and fees for services such as access to a customer service representative. If you have the option of leaving your money in an existing Plan, you may also wish to consider how satisfied you are with the available investment options and their performance, as well as your ability to obtain guidance concerning your Plan investments.

- Instead of establishing an IRA, you may also have the option of transferring investments from a prior employer's Plan to a new employer's Plan. If your current employer offers a Plan, you should contact your employer's Human Resources Department to determine if this option is available to you. In considering whether to transfer your assets to a new employer's Plan, you should also consider the available investment options, any fees or expenses applicable to those options or the Plan itself and your ability to obtain guidance concerning your Plan investments.
- Instead of establishing an IRA, you may also have the option of taking a taxable distribution from the Plan. If you are considering this option, you should consult with your tax adviser concerning the potential tax consequences.
- If you hold shares of your employer's stock in your Plan, you should consult with your tax adviser concerning the potentially negative tax consequences of removing those shares from the Plan.
- If you leave your job between age 55 and 59½, you may be able to take penalty-free withdrawals from a Plan. For IRAs, penalty-free withdrawals generally may not be made until age 59½. It may also be easier for you to borrow from a Plan. Your former employer and/or the Plan documentation may provide additional details concerning your options.
- Depending on the state in which you reside, assets held in a Plan may receive greater protection from creditors than similar assets held in an IRA.
- Although Eagle IARs can provide advice concerning IRA investments, they do not provide legal or tax advice.

Additional Information Regarding Compensation and Conflicts of Interest:

**A. Payments from Mutual Fund Companies.** For the LWP Programs described in this Brochure, Eagle's affiliate, NYLIFE Securities, receives asset-based distribution fees, servicing fees and other fees including 12b-1 and shareholder servicing fees (collectively, "Fund Fees") from certain mutual funds and certain money market funds that are used in LWP accounts. NFS will pay NYLIFE Securities 100% of all Fund Fees that it receives on mutual funds and money market funds in LWP accounts. The maximum 12b-1 fee that clients may incur in connection with the sweep investment for their LWP account is 0.25%, though actual payments may be less than this amount.

NYLIFE Securities' receipt of Fund Fees presents a conflict of interest because it gives us an incentive to recommend mutual funds and money market funds based on the compensation received by our affiliate, rather than exclusively on your needs. In non-retirement accounts where NYLIFE Securities retains such Fund Fees, NYLIFE Securities does not share Fund Fees with your IAR. Therefore, your IAR does not have a financial incentive to recommend a mutual fund or share classes for which NYLIFE Securities retains Fund Fees. Please see the section titled "Mutual Fund Share Classes" below for additional information on NYLIFE Securities' receipt of Fund Fees in connection with its selection of mutual fund share classes for Client accounts.

- a. For LWP retirement accounts, Fund Fees from mutual funds and money market funds are rebated back to you.

- b. For LWP non-retirement accounts, NFS will pay NYLIFE Securities 100% of all Fund Fees it receives on certain mutual funds within your account. NYLIFE Securities retains these Fund Fees .
- c. For LWP non-retirement accounts, NFS will pay NYLIFE Securities 100% of all Fund Fees it receives on certain money market funds that are used within your account. The maximum Fund Fee is 0.50%, though actual payments may be less than this amount.
- d. For account numbers that begin with the following prefixes: B92, B93, B94, B95, F98, F99, C84 and C97 there was a separate process for handling Fund Fees.
  - i. For certain mutual funds within your account,
    - 1. NFS retained the Fund Fees for all registration types until June 17, 2017.
    - 2. Beginning June 17, 2017, NYLIFE Securities retains all Fund Fees received for non-retirement accounts with these prefixes.
    - 3. For retirement accounts with these prefixes, Fund Fees are currently rebated to Clients as of March 2018.
  - ii. For money market funds withn your account,
    - 1. Beginning September 2016, NYLIFE Securities retains all Fund Fees from money market funds associated with non-retirement accounts with these prefixes.
    - 2. For retirement accounts with these prefixes, Fund Fees are currently rebated to Clients as of March 2018.

The classification of asset-based distribution fees, servicing fees and other fees as 12b-1 fees or shareholder servicing fees is determined by the mutual fund sponsor pursuant to instructions that it provides to NFS. Eagle does not verify that the classification it receives from NFS is accurate or consistent with the mutual fund prospectus.

- B. Compensation from Revenue Sharing.** For no transaction fee mutual funds held in LWP accounts, Eagle’s affiliate NYLIFE Securities receives additional revenue streams from NFS. Specifically, we receive compensation up to 0.31% annually based on the asset value of the no transaction fee mutual funds. This revenue sharing arrangement creates a conflict of interest because it gives us a financial incentive to recommend mutual funds that pay Eagle’s affiliate additional revenue. This revenue sharing arrangement also creates a conflict to the extent that it provides an incentive to continue to retain NFS as provider of custody, clearing and administrative services for the LWP programs. We do not share this payment with your Eagle IAR. Therefore, the IAR does not have a financial incentive to recommend one fund over another because of this compensation.
- C. NFS Revenue.** The clearing agreement between NYLIFE Securities and NFS entitles NYLIFE Securities to receive annual cash payments over the next five years for business development, provided NYLIFE Securities maintains and fulfills its obligations under the clearing agreement. These payments are not tied to transactions effected on behalf of advisory clients. NYLIFE Securities does not share this compensation with Eagle or your IAR.



**D. Mutual Fund Share Classes.** Mutual fund companies offer different mutual fund share classes. The expenses, purchaser eligibility requirements, applicable 12b-1 fees, shareholder servicing fees and revenue sharing arrangements will differ by both the mutual fund company as well as the particular share class within that fund. For the programs described in this Brochure, Eagle selects the share class for the program at its sole discretion and takes into account a number of considerations, including reasonable investment minimums and expenses. We generally make no-load or load waived share classes available for Clients within the programs. The LWP Programs do not offer all available share classes. Eagle can purchase and hold, and recommend that you purchase and hold, mutual fund share classes that are not the lowest cost share class, even though you could, in certain circumstances, be eligible to invest in share classes of the same mutual funds that are less expensive. You should not assume that you are invested in the lowest expense share class, and the share class of a mutual fund offered by Eagle can have higher expenses (including because of compensation paid to Eagle's affiliate NYLIFE Securities), and therefore lower returns, than other share classes of that mutual fund for which you are eligible or that might otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through the LWP programs. See Item 8, *Selection and Review Process of Available Securities* section, for additional information on Eagle's process for selecting the available Securities in the Representative Directed Program, and Section A above, *Payments from Mutual Fund Companies*, for additional information on the receipt of Fund Fees by Eagle's affiliate, NYLIFE Securities.

Eagle has a conflict of interest when selecting mutual funds and share classes within the programs because the selection or recommendation of a more expensive share class results in greater compensation to its affiliate NYLIFE Securities. Eagle IARs do not receive any portion of this revenue and therefore do not have a financial incentive to recommend one fund or share class over another because of this compensation. Eagle addresses the conflict of interest through a combination of disclosing it to you and by adopting policies and procedures and related controls around share class selection. Sub-Managers that manage client accounts on a discretionary basis in the programs are responsible for making the determination of which share class of a mutual fund to invest in for clients, and will follow their own share class selection practices.

When determining the reasonability of any fees and expenses that you pay under the programs, you should consider both the fees and expenses that Eagle charges in the programs and any indirect fees and expenses that you may incur in connection with any investment in share classes of mutual funds, including the possibility that you will be invested in a share class that assesses expenses greater than other share classes for which you are otherwise eligible, and for which Eagle's affiliate NYLIFE Securities earns compensation. Information about the mutual funds and share classes that are available through your account, including their investment policies, restrictions, charges, and expenses, is contained in the mutual funds' prospectuses. You should read these prospectuses carefully.

**E. Proprietary Products and Affiliated Funds.** Our affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are purchased or sold in an Eagle account. The Mainstay family of mutual funds, managed by New York Life Investment Management (“NYLIM”), and the IndexIQ ETFs, managed by IndexIQ Advisors LLC, utilized in the Programs outlined herein are distributed through NYLIFE Distributors. All of these entities are affiliates of Eagle. As a result, IARs generally have a greater familiarity with MainStay and IndexIQ funds because our affiliates sponsor educational, marketing and other promotional events for our IARs. This may lead our IARs to focus on MainStay or IndexIQ funds when making investment recommendations rather than funds from other providers. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

An Eagle IAR or a Sub-Manager may recommend a mutual fund or ETF advised by an affiliate of Eagle. In the RAA and GP programs and within the Representative Directed or IAR recommended sleeve of Non-Discretionary UMA programs, you may choose not to purchase that product. In the RPM and UMA Discretionary Programs you may direct your IAR to not purchase an affiliated fund.

For retirement accounts, Eagle does not charge Clients an Advisor Fee or the Administrative Fee component of the Sponsor Fee on the market value of affiliated funds. The Advisor Fee ranges from 0% to 1.50% for all LWP programs, and the Administrative Fee component of the Sponsor Fee is 0.25% for the SMA equity and balanced strategies and the UMA programs, 0.21% for SMA fixed income strategies, 0.15% for Representative Directed programs, and 0.22% for FA. Investment in affiliated funds generates additional compensation to Eagle’s affiliates, but Eagle and the IAR receive no portion of that compensation. Please see the fee table in the *Fees* section above and contact your IAR for more information.

#### D. COMPENSATION TO INVESTMENT ADVISER REPRESENTATIVES AND CONFLICTS

**Compensation to IARs.** Eagle and Eagle IARs receive direct and indirect compensation because of your participation in the programs described in this Brochure. This compensation varies depending on the exact fee that you negotiate. The amount of compensation may be more or less than Eagle or the IAR would receive if you participated in other programs or paid separately for the investment advice, brokerage and other services provided in connection with the wrap fee programs. Sales compensation varies between the wrap fee programs and other programs and financial products. Eagle and IARs have a financial incentive to recommend LWP Programs over other programs or services.

Additionally, in connection with a program sponsored by New York Life Insurance Company or its affiliates, Eagle IARs are eligible for additional compensation and other benefits by earning “council credits,” which are based on sales production, or by meeting certain goals for sales or assets under management, which include the sale of insurance and securities products. Council credits may entitle IARs to receive higher payouts for the sale of various financial products, such as receiving a greater share of the advisory fee and entitles them to participate in various Company sponsored conferences. Eagle IARs receive council credits for the programs described in this Brochure and for sales of insurance and securities products. IARs receive

twice the amount of the annualized advisor fee towards council credits for selling Eagle products than they would for selling non-Eagle products. Council credits are targeted to be equivalent across various New York Life products. This creates a conflict for the IAR to recommend LWP products instead of other products or programs. Eagle addresses this conflict by disclosing it. Please see Item 9 (*Client Referrals and Other Compensation*) for additional information regarding fees and compensation.

Further, sales of products that are managed and/or issued by Eagle's affiliates, along with sales of mutual funds and variable insurance products that are not managed or issued by an affiliate, determine your IAR's eligibility for retirement, medical and life insurance benefits, and conferences with educational, development and recognition components. Qualification to attend New York Life-sponsored educational, training, and development conferences is based on your IAR's total sales of investment products, life insurance, long term care insurance, and annuities.

Third party investment advisers that we offer in our programs work with Eagle and our IARs to promote their products. They may pay for training and education events and prospecting events such as seminars for employees, IARs, clients and prospective clients. For employees and IARs, these events may be held at Eagle or the third party investment adviser's location or at off-site locations, and the travel, meals and accommodations may be paid for by the third party investment adviser. Eagle reviews the invitee lists and confirms that the agenda for the event is relevant or appropriate for IARs and/or Eagle employees. Additionally, third party investment advisers may occasionally provide entertainment or gifts of nominal value to employees and IARs. Eagle may occasionally host a training and education event and receive payments from third party investment adviser who wish to participate or attend the event. Please see Item 9B (Code of Ethics) for additional information on how we address these conflicts.

Certain non-profit institutions compensate IARs for conducting charitable giving seminars. In the event that persons who have attended such seminars purchase products through the IARs to effect charitable gifts, the IARs will also be compensated on these sales. As the IARs are receiving compensation for conducting the seminars and for the sale of products to persons who elect to make charitable contributions, such arrangements create a conflict of interest. Eagle addresses this conflict by disclosing it in this Brochure, in Eagle's Firm Disclosure Brochure and the IAR's Form ADV Part 2B. Please see Item 4 (*Services, Fees and Compensation*) above for additional information regarding conflicts of interest relating to fees and compensation.

When you purchase a life insurance policy or annuity policy, the Eagle IAR, in her or his capacity as an insurance agent of the issuing carrier, receives additional compensation (including commissions, service fees, allowances for expenses and benefits). Compensation paid on products issued by New York Life and its affiliates is governed and limited by Section 4228 of New York State Insurance Law. Eagle IARs also receive incentive awards for the sale of insurance products from time to time. Clients have the option of purchasing recommended products through other brokers or agents who are not affiliated with New York Life.

While the prospect of receiving additional compensation from the sale of other products creates an incentive to recommend products based on the compensation expected to be received rather than your needs, we address this conflict and other conflicts in this Brochure in a variety of ways, including:

- Our IARs are trained to put your interests first as part of their fiduciary duty. Eagle's Code of Ethics also addresses their conduct and seeks to reinforce ethical behavior.
- We disclose conflicts in this Brochure and other disclosure documents so that you can make informed decisions. While Eagle IARs are trained to make recommendations that they believe are in your best interest, the ultimate decision belongs to you. You are therefore encouraged to ask questions, read all available disclosure materials, consider all your options and take other steps to make educated decisions.

**Compensation to Eagle and its IARs.** The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. For a given Total Client Fee, the IAR and Eagle earn more if you are in a Rep Directed Program than in other programs. Additionally, the selection of a Sub-Manager will affect the IAR's and Eagle's overall compensation. This creates a conflict of interest, as Eagle and your Eagle IAR have an incentive to recommend certain options over others. We address this conflict by disclosing it to you.

In some cases, Eagle (or its affiliates) has other business relationships with certain outside advisers that act, or have affiliates that act as Sub-Managers. Eagle contracts with Morningstar (and/or its affiliates), Fund Evaluation Group, Envestnet|PMC and Wilshire Associates for a variety of other services. These include due diligence services relating to the LWP Programs, the provision of data and other performance information, and methodology for mapping Clients to a particular risk profile. Due to these relationships, Eagle may have an incentive to recommend one Sub-Manager over another. However, as your IAR is not involved with these business relationships, your IAR does not have an incentive to recommend one Sub-Manager over another.

Other Conflicts of Interest:

**Compensation for Advisory Programs.** Eagle and the IAR will earn compensation if you invest in a program described in this Brochure. This creates a conflict of interest for Eagle and Eagle IARs, as there is a financial incentive to recommend one of the programs described in this Brochure. We address this conflict of interest by disclosing it to you.

**Payments to Sub-Managers.** In programs that use a Sub-Manager, the Sub-Manager charges separately for its advisory and other services. For certain Fund Advisory accounts using Morningstar, we subsidize part of the Sub-Manager fee that you pay, which will reduce your Total Client Fee. To the extent that a subsidized Sub-Manager is recommended, Eagle will receive less compensation on that LWP account because Eagle pays the subsidy and thus has an incentive not to recommend a subsidized Sub-Manager. Eagle addresses this conflict by not charging subsidy expenses to the IAR, so the IAR does not have incentives to recommend specific Sub-Managers over others. Please see Section 4C (*Additional Information Regarding Fees and Compensation*) above for additional information.

**Periodic Investment Programs (“PIPs”) and Systematic Withdrawal Plans (“SWPs”).** You may establish a PIP when you want to invest a specific amount of money into a particular mutual fund and a SWP when you want to liquidate a specific amount of money from a particular mutual fund on a scheduled and automated basis, such as monthly. These plans have a set-up fee, which is paid by Eagle. When your IAR recommends a trade rather than a PIP or SWP transaction, Eagle benefits by not having to pay the PIP/SWP set up fee and therefore Eagle has a conflict. Because neither the IAR nor the client is charged the PIP/SWP fee, your IAR does not have a conflict when recommending a trade rather than the use of a PIP/SWP plan.

There is also a conflict for us to recommend no transaction fee funds in PIP/SWP transactions because then Eagle would not have to pay a fee to the clearing firm for these transactions. We address this conflict by not charging the clearing fee to IARs who recommend these type of transactions within Client accounts.

For additional information regarding conflicts of interest, please see Item 6B (*Portfolio Managers and Conflicts of Interest*). Please also see Item 9 (*Additional Information*) regarding conflicts of interest relating to personal trading and client referrals.

## ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

### ACCOUNT REQUIREMENTS

Each Program has minimum account size requirements. Eagle and/or its Program partners have the option to waive account minimums. Accounts that fall below the stated required minimum may be charged an additional fee. Please see the sections below for program specific information.

Clients must meet a minimum net worth of \$150,000 and minimum income of \$20,000 to open an LWP account. Please note that even if you have met the account minimums, you could still be charged a small account fee. See Item 4C (*Additional Information Regarding Fees and Compensation*) above for more information regarding small account fees.

Note, Investnet and Sub-Managers may have ongoing minimum account values to manage the account. If Investnet or the Sub-Manager identifies an account below a value they are willing to manage, they will notify Eagle and we will notify your IAR to work with you to determine the appropriate next steps which may include: funding the account, closing the account and sending you the proceeds, or transferring it to a NYLIFE Securities brokerage account. Please see the Account Termination section below regarding the impact of moving an advisory account to a NYLIFE Securities brokerage account.

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### FUND ADVISORY PROGRAM

The initial investment minimum for the Fund Advisory Program is \$25,000; however, certain Sub-Managers may have higher account minimums.

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## SEPARATELY MANAGED ACCOUNT PROGRAM

The initial investment minimum for the Separately Managed Account Program is \$100,000; however, certain Sub-Managers may have higher account minimums. Please contact your IAR for a list of investment minimums. Eligible accounts that utilize the Multi-Margin Program (see *Multi-Margin Program* section above) must have an investment minimum of \$500,000.

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## REPRESENTATIVE DIRECTED PROGRAM

The initial investment minimum for the Representative Directed Program is \$5,000. Eligible accounts that utilize the Multi-Margin Program (see Multi-Margin Program section above) must have an investment minimum of \$500,000.

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## UNIFIED MANAGED ACCOUNT PROGRAM

The initial investment minimum for the Unified Managed Account Program is \$100,000; however, certain Sub-Managers may have higher account minimums. Accounts that elect the Overlay (see *Overlay Services* above) must have an initial investment minimum of \$250,000 with at least 50% of the assets in equities. Eligible accounts that utilize the Multi-Margin Program (see *Multi-Margin Program* section above) must have an investment minimum of \$500,000.

### TYPES OF CLIENTS

We provide investment advisory services to many different types of Clients, including individual investors, pension and profit sharing plans, Traditional IRAs, Roth IRAs, SEP IRAs, SIMPLE IRAs, trusts, estates, charitable organizations, donor-advised funds, corporations and other business entities. Not all of these types of Clients participate in the programs outlined in this Brochure.

### ACCOUNT TERMINATION

You or Eagle may terminate your account at any time with notice as provided in your Client Agreement. When you terminate your account, you must provide Eagle instructions on where to transfer the assets. If you terminate your account without providing instructions, or if Eagle terminates your account, your account will be moved to a NYLIFE Securities brokerage account and the process explained below will apply.

If your account is terminated and the securities in your Eagle account cannot be held in a brokerage account, we will notify you to request instructions concerning their disposition. If we do not hear from you within a reasonable time, the securities in your Eagle account will be liquidated, and the proceeds will be transferred to a NYLIFE Securities brokerage account, or in some circumstances, will be sent to you.

When Eagle terminates your LWP account, or when you terminate your account without instructions on where to transfer the assets, your Eagle advisory client agreement will be terminated and the assets in this account will be transferred to a NYLIFE Securities brokerage account. When the assets are moved to a brokerage account, you will be responsible for all investment decisions in your account. You will no longer be charged an asset based fee, and you will no longer receive ongoing investment advice; however, standard NYLIFE Securities' brokerage commissions and fees will apply. If you have mutual funds in share classes that may only be held in advisory accounts, when your account is terminated and moved to a brokerage account, such shares may be converted to a different share class that may have a higher expense ratio and/or fees.

Any account termination by Eagle or you will not affect Eagle's or your liabilities or obligations arising from transactions initiated before such termination. Eagle will not be responsible to you for the purchase or sale of a security by the Platform Manager or your Sub-Manager(s) prior to Eagle's receipt of your written notice of termination. Eagle reserves the right to retain amounts in a terminated account sufficient to cover the costs of effecting any open and unsettled transactions and their associated brokerage commissions/fees.

## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

Eagle selects the Sub-Managers and strategies available within the Fund Advisory and Separately Managed Account Programs. Eagle selects the mutual funds, ETFs and ETNs available within the Representative Directed Programs. Eagle sets the criteria that are applied for equities inclusion on the available within the Representative Directed Programs. The UMA Program uses certain strategies and/or securities that are available within the Fund Advisory, Separately Managed Account and Representative Directed Programs.

### A. SELECTION AND REVIEW PROCESS OF PORTFOLIO MANAGERS

#### FUND ADVISORY AND SEPARATELY MANAGED ACCOUNT PROGRAMS

This section describes how we select, monitor and terminate Sub-Managers and investment strategies for the programs. We assign three different statuses (Available, Hold, and Terminate) to the Sub-Managers and strategies that we offer.

**Available List.** Eagle or Envestnet|PMC, an unaffiliated third party service provider selected by Eagle, evaluates Sub-Managers and strategies. Sub-Managers and strategies listed as Available are those that have successfully undergone a due diligence review and have been approved by Eagle's Product Committee, which includes representatives from Eagle's Product department, Eagle senior management and Legal and Compliance personnel. To remain on the Available List, Sub-Managers and strategies must continue to perform in line with their respective stated mandates and must not be the subject of any

outstanding material compliance or regulatory concerns. Eagle may, at times, increase the level and/or frequency of monitoring of Sub-Managers or strategies on the Available list.

To be considered for inclusion on the Available List in the FA and SMA Programs, Sub-Managers provide Envestnet|PMC and/or Eagle with relevant information on the strategy being evaluated (e.g., firm, staffing, historical performance, investment process, etc.). As part of the review, the Sub-Manager's key personnel are also interviewed. After evaluation by Envestnet|PMC and/or Eagle, Sub-Managers are reviewed and approved by Eagle's Product Committee. Envestnet|PMC and/or Eagle periodically review the Sub-Managers and strategies on the Available List (e.g., investment performance, staffing, and/or regulatory issues).

***Changes in Status from Available List to Hold List.*** Eagle, based on monitoring by Envestnet|PMC or its own due diligence, may determine that a Sub-Manager or strategy no longer meets the criteria for inclusion on the Available List and move it to the Hold List. While Hold status signifies that Eagle has a significant concern with the Sub-Manager or strategy, Clients can continue to hold their assets in the Sub-Manager or strategy, and can make additional contributions. Generally, IARs cannot initiate new investments, for new Clients, in strategies on Hold status.

Conditions that could lead a Sub-Manager or strategy to be placed on Hold status:

- The Sub-Manager's or strategy's performance continues to deteriorate through time or the magnitude of underperformance is significant while on Available status;
- Material change in the Sub-Manager's or strategy's investment process or team (e.g., departure of lead portfolio manager/primary decision maker);
- Significant organizational change that may impact implementation of the investment strategy; and/or
- Material compliance violation and/or actual or potential regulatory action.

Eagle will notify its IARs of the change to Hold status, and encourages them to notify Clients about this change. Eagle will monitor the Sub-Manager or strategy on Hold status, based on Envestnet|PMC research or Eagle internal due diligence analysis, on a regular basis and report any material changes to the Head of Product and the Investment Committee, which includes representatives from Eagle senior management and Legal, and Compliance personnel. Duration of a Hold status depends on how long Eagle needs to evaluate the Sub-Manager or strategy and how long it takes for the Sub-Manager or strategy to address the areas of concern.

Once the Sub-Manager or strategy has been placed on Hold Status, Eagle may issue one of the following recommendations:

- Keep the Sub-Manager or strategy on Hold status;
- Remove the Sub-Manager or strategy from Hold status and place it on Available status; or
- Recommend the termination of the Sub-Manager or strategy.



**Changes in Status to Terminate.** Eagle may determine that a Sub-Manager or strategy no longer meets the criteria for inclusion on the Available or Hold List and, as a result, the Sub-Manager or strategy will no longer be recommended in Eagle’s investment advisory programs. Eagle may, at its discretion, terminate a Sub-Manager or strategy from its platform if it believes that the Sub-Manager or strategy poses a significant risk to Eagle’s Clients or to Eagle and its affiliates. A Sub-Manager or strategy need not be on Hold status prior to termination. If the potential risks of the Sub-Manager or strategy are significant, Eagle may decide to terminate an Available Sub-Manager or strategy with no prior notice.

Conditions that may lead a Sub-Manager or strategy to be terminated:

- The deterioration of the Sub-Manager’s or strategy’s performance becomes severe and can no longer be justified;
- Material change in portfolio management team and/or investment process; and/or
- Material compliance violations and/or actual or impending regulatory actions.

You will be notified of the change in status and will receive notification that you will be transitioned to a substitute Sub-Manager/strategy. The notification may also outline other available options. Generally, we provide a replacement Sub-Manager or strategy for a terminated Sub-Manager or strategy. In selecting the replacement Sub-Manager or strategy, Eagle generally seeks a Sub-Manager or strategy in the same asset class, and with similar attributes and holdings to the terminated Sub-Manager or strategy. The replacement Sub-Manager or strategy will be on the Available List.

If a replacement Sub-Manager or strategy cannot be identified, Eagle will provide you with notice to re-assess your account and to contact your IAR to discuss other program options. If we do not hear from you, or if you have not selected a new program, Eagle will (i) move the assets to a brokerage account; or (ii) in limited instances in which assets related to the terminated Sub-Manager or strategy cannot be accommodated in a brokerage account, liquidate those securities and send you the proceeds if the whole account required liquidation, or move the remaining securities and the resulting proceeds to a NYLIFE Securities account. Please reference Item 5 (*Account Requirements and Types of Clients*) above for more information regarding the termination process.

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## REPRESENTATIVE DIRECTED PROGRAMS

**Available List -- Additions.** For Representative Directed programs, with the exception of equities for RPM, we select the securities (mutual funds, ETFs, ETNs, equities and bonds; collectively, “Securities”) that will be available in the Representative Directed Program and place them on our “Available List.” We monitor the Securities on our Available List as noted below. We, at our sole discretion, may add any Security to our Available List.

For mutual funds, we use an unaffiliated third party service provider, Wilshire Associates, which generally uses a proprietary quantitative and qualitative evaluation methodology for reviewing and monitoring the Available List. Generally, we offer one share class for each fund available in the Representative Directed Programs. In our sole discretion, we make available the fund share class that we deem best suited for the

program. Based on Wilshire Associates' review, we determine the mutual funds that should remain on the Available List.

Mutual fund share class selection will consider the availability of particular share classes on NFS's platform, whether particular share classes are subject to transaction-based fees, and the willingness of mutual fund companies to waive account minimums. Due to these considerations, we may not always select the share class with the lowest expense ratio, and there will be situations where we determine that a share class with a higher expense ratio is more appropriate for advisory clients

For ETFs and ETNs, Eagle's Rep Directed Product Committee conducts the reviews relating to additions to the Available List. Its screening process can include factors such as liquidity, tracking error, and the length of time that the fund has been in existence.

For individual equities for RAA, our Available List generally includes individual equity securities that meet certain market capitalization criteria and have a positive analyst rating from external research determined by Eagle. For RPM, your IAR may buy individual equities based upon selection criteria determined by Eagle.

In certain instances, Securities which do not meet the screening criteria may be considered on an *ad hoc* basis and may be approved for use by the Rep Directed Product Committee. For example, a new fund that does not have an established track record may be considered if the portfolio managers and/or fund family have a track record that we deem appropriate. Mutual Funds added to the Available List will be evaluated by Wilshire Associates, the third party vendor, as described above.

**Available List -- Removals.** On a periodic basis, Wilshire Associates will identify mutual funds on the Available List that have experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. In such circumstances, the Rep Directed Product Committee will determine whether the mutual funds should be removed from the Available List.

On a periodic basis, the Rep Directed Product Committee will identify ETFs or ETNs on the Available List that have experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. The Rep Directed Product Committee will then determine if such ETFs/ETNs should be removed from the Available List.

If individual equities no longer meet the qualifications noted above, the Rep Directed Product Committee will determine whether they should be removed from the Available List.

Eagle has sole discretion to remove any Security from the Available List.

When Securities are removed from the Available List, your IAR will work with you to find suitable alternatives. In certain situations, you may continue to hold Securities that are no longer on the Available List. Unless they are moved "below the line" as Unsupervised Assets, such Securities will continue to be included in calculating your Total Client Fee. Please see the Fees section above for additional information.

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## CALCULATING PERFORMANCE OF CLIENT ACCOUNTS

We contract with Envestnet to calculate and provide performance information for each LWP account. We do not independently verify the accuracy of Envestnet's calculations.

- Performance history is calculated using a time-weighted rate of return and is shown net of management fees. For performance periods greater than one year, the return is annualized to show the average annual return over the period.
- Performance history is calculated on an account level, as well as on a Household level for all Clients. For purposes of performance reporting, a Household consists of accounts that you (through the IAR) requested to combine for reporting purposes.

## B. PORTFOLIO MANAGERS AND CONFLICTS OF INTEREST

Our IARs act as portfolio managers within the RPM and UMA Discretionary programs described in this Brochure. We and your IAR have certain conflicts of interest when we make investment recommendations to you. This section discusses the scope of authority and conflicts of interest when an IAR is acting as portfolio manager of discretionary programs.

**Discretionary Authority.** In the UMA Discretionary program, your Eagle IAR acts as the portfolio manager with discretion to replace, purchase or sell securities or strategies for your account without consulting you. In the RPM program, your Eagle IAR acts as the portfolio manager with discretion to replace, purchase or sell securities for your account without consulting you. This creates a conflict of interest for Eagle and its IARs to recommend the RPM and UMA Discretionary programs to you over other Eagle programs (as described in this Brochure or within Eagle's Firm Disclosure Brochure). We address this conflict by disclosing it to you; however, you are ultimately responsible for selecting the program that you wish to invest in.

**Selection and Review Process of Affiliated Portfolio Managers.** Eagle IARs are not subject to the same level of review as third-party Portfolio Managers. However, the IARs who act as Portfolio Managers must meet certain qualifications and requirements, which include, but are not limited to, amount of advisory assets under management, years of experience and training. Please see Item 6A (*Selection and Review Process of Portfolio Managers*) above regarding the selection and review process for unaffiliated Sub-Managers.

Please review Items 4C (*Additional Information Regarding Fees and Compensation*) and 4D (*Compensation to Investment Adviser Representatives and Conflicts*) for information regarding additional conflicts of interest.

## C. PORTFOLIO MANAGERS FOR WRAP FEE PROGRAMS

Our Eagle IARs act as portfolio managers in the discretionary RPM and UMA Discretionary programs described in this Brochure.

**Advisory Business.** Please see Item 4 above for a description of the advisory services Eagle offers and their related fees.

**Tailoring Services to Client Needs.** Our advisory services are based on your individual financial situation and objectives. Our IARs gather this information, often using an RTQ. To tailor our advice to your individual needs, we may review your investment objectives, risk tolerance, intended investment amount, liquid net worth, and retirement goals. Your IAR's recommendations depend on the information you provide. For example, depending on your RTQ answers, you may be placed in a more or less aggressive portfolio.

Clients with accounts that are managed on a discretionary basis may place reasonable restrictions on the management of those assets. You may ask your Eagle IAR to manage your account pursuant to a particular investment strategy. In the RPM and UMA Discretionary Programs, your Eagle IAR will manage your account in accordance with your Portfolio Objective, as applicable (as discussed above in Item 4). You may also place investment restrictions on your RPM and UMA account (as discussed above in Item 4).

You can impose reasonable restrictions in the LWP SMA Programs on your account investments. You may restrict the purchase of specific securities or a category of securities, such as prohibiting investments in firearms manufacturers or tobacco producers. The restrictions are provided to your IAR who will pass them onto Envestnet or the Executing Sub-Managers, as applicable. Within the SMA Program, restrictions are included in the SIS. Investment restrictions are not accepted within the FA Program. Restrictions cannot be systematically coded for the Rep Directed programs. For GP and RAA, you can reject any security recommendation made for your portfolio in these accounts.

**Performance-Based Fees.** Eagle and its IARs do not accept performance-based fees, which are fees based on a share of capital gains or on capital appreciation of the assets within your managed portfolio.

**Methods of Analysis, Investment Strategies and Risk of Loss.** Eagle IARs may use any investment strategy that is approved by Eagle, and for which they qualify, when providing investment advice to you in the Programs described in this Brochure.

For the Representative Directed Programs, the Eagle IAR provides you with a personalized investment proposal, which may include securities recommended by the IAR. Such recommendations will be consistent with your Portfolio Objective. The Portfolio Objective takes your investment objectives and risk tolerance, among other factors, into consideration. Your precise strategy will differ based on your individual goals and preferences, as well as the IAR's recommendations.

For RAA and GP programs, the IAR will invest your account in securities that the IAR recommends and that you have agreed to. For the RPM program, all transactions may be effected by your IAR without consulting you.

For all other investment advisory programs, please see the program disclosure documents for a description of the investment strategies and methods of analysis employed by the Sub-Managers or program sponsors.

**Risk of Loss.** With any investment product, including those available in our programs, there is a risk of loss. Clients investing in securities through any program should be able and prepared to bear the risk of loss if the overall market and/or the specific products purchased decline in value.

The following section outlines the risks associated with specific strategies and securities.

*Tactical Asset Allocation.* Generally, accounts managed through a tactical approach to asset allocation will trade more frequently and may incur greater trading costs than a strategic approach. Performance for accounts using a tactical approach may be more volatile and may underperform in some market cycles.

*Strategic Asset Allocation.* Accounts managed through a strategic approach generally trade less frequently and may have lower trading costs. Performance for accounts using a strategic approach may be more volatile and may underperform in some market cycles.

*Active Management Style.* For accounts that utilize an active management style, returns may be reduced by the cost of hiring a professional manager and the cost of buying and selling investments in the account. Performance for accounts using an active management approach may be more volatile and may underperform in some market cycles.

*Passive Management Style.* Accounts that utilize a passive management style normally have lower costs than accounts that are actively managed because these accounts may not need to retain active professional managers, and because their holdings are not as frequently traded. Performance for accounts using a passive management approach may be more volatile and may underperform in some market cycles.

In any investment account, frequent trading can affect investment performance through increased brokerage costs, transaction costs and tax inefficiencies.

Clients purchasing mutual funds, ETFs and ETNs should refer to the relevant prospectus for more information about the risks of investing in a particular fund, as well as applicable fees and expenses. Clients purchasing ETFs and ETNs should understand that the market price of ETFs and ETNs may not correlate to the value of its underlying assets, and that the ETF's and ETN's performance may not mirror the performance of its underlying index. Operating expenses and other costs are deducted daily from the value of these products and will lower their rate of return. Please see Item 4 (*Services, Fees and Compensation*) for more information regarding fund expenses.

Unlike mutual funds, ETFs and ETNs, risks relating to investing in individual securities include non-diversification and volatility. For instance, the decline in value of one security may not be offset by the increase in value of other portfolio securities. There is no guarantee that diversification will provide gains or prevent losses. Clients purchasing individual securities should be aware of the greater volatility associated with those products.

For an explanation of risks associated with other securities and/or strategies, please see the applicable Sub-Manager's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or applicable fund prospectus.

***Voting Client Securities (Proxy Voting Policy).*** We do not have authority to vote, and do not vote, proxies, nor do we participate in any legal proceedings involving investments in your accounts, on your behalf. We do not provide advice to Clients regarding the voting of proxies or their participation in legal proceedings involving investments within their accounts, and you should not contact Eagle or IARs with questions about a particular proxy solicitation or lawsuit regarding any investment in your account. You are encouraged to review the applicable Program disclosure document and Client Services Agreement for further information.

For the Representative Directed Programs, you will receive proxy materials and legal proceeding-related documents directly from NFS, the custodian, so that you can act upon the materials.

For the FA and UMA Programs, all proxies will be directed to Envestnet on your behalf, and Envestnet will vote the proxies, unless you request otherwise.

For the SMA Program, all proxies will be directed on your behalf to, and will be voted by, Envestnet (when a Model-Delivery Sub-Manager is selected), or to, and will be voted by, the Executing Sub-Manager, unless you request otherwise.

## BEST EXECUTION AND TRADING AWAY

As an investment adviser, Eagle has an obligation to ensure the "best execution" of Client trade orders. "Best execution" means that we place Client trade orders with broker-dealers we believe can provide the best qualitative execution of Client trade orders under the circumstances, taking into account the full range and quality of the services offered by the broker-dealer, including the value of the research provided (if any), the broker-dealer's execution capabilities, the cost of the trade, the broker-dealer's financial responsibility, and its responsiveness to the trade order. Best execution does not necessarily mean best price. Our best execution obligation does not require us, Envestnet or the Sub-Managers to solicit competitive bids for each transaction or to seek the lowest available cost of trade orders, so long as the broker-dealer selected can be reasonably expected to provide Clients with the best qualitative execution under the circumstances.

*Envestnet and NFS*

Eagle has selected NFS, the custodian for all LWP accounts, to execute all trades within the Fund Advisory, Representative Directed, UMA and SMA programs, except for trades submitted by Executing Sub-Managers within the SMA program. Within these programs (except for SMA accounts managed by an Executing Sub-Manager), Envestnet submits all trade orders directly to NFS for execution.

When NFS executes a trade within your account, you do not pay a separate commission or sales charge for trade execution services. Instead, execution services are imbedded within the overall Total Client Fee you are charged. Therefore, Clients generally receive a cost advantage whenever NFS executes Client transactions.

NFS contracts with a third-party provider to review its overall trading and execution activity to ensure compliance with its best execution obligations. NFS provides NYLIFE Securities, our affiliate, with a copy of their analysis report on a quarterly basis.

### Executing Sub-Managers

Executing Sub-Managers within the SMA Program may determine that placing trade orders for the Client's Account with NFS is the most favorable option for the Client, given NFS's execution capabilities and cost methodology outlined above. However, Executing Sub-Managers may place a Client's trade orders with a broker-dealer other than NFS if it determines that using another broker-dealer would comply with its best execution obligations to Clients. This practice is frequently referred to as "trading away" and these types of trades are frequently called "step out trades." For example, an Executing Sub-Manager trading fixed income securities may use a broker-dealer that specializes in fixed income markets to execute an order. In this case, your trade order is executed through a different broker-dealer, and is then cleared and settled through NFS in what is frequently referred to as a "step in."

In some instances, "step out trades" are executed by a broker-dealer without any additional commission or markup or markdown. In other instances, the executing broker-dealer may impose a commission, markup or markdown for the trade. If an Executing Sub-Manager trades away with a broker-dealer that imposes a commission, markup or markdown on the trade, you will incur trading costs. As a result, Sub-Managers that trade away and their strategies may be costlier to you than Sub-Managers that primarily place Client trade orders with NFS for execution. However, despite the potential to incur a commission, markup or markdown when trading away, an Executing Sub-Manager may use another broker-dealer besides NFS because other benefits may be derived from trading away, such as better security price or more timely execution services.

You should review the Executing Sub-Manager's Form ADV Part 2A Brochure (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), inquire about the Executing Sub-Manager's trading practices, and consider that information carefully (including the applicable trading costs), before selecting a Sub-Manager. You should also review our Sub-Manager Trading Disclosure Statement (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)) for important information regarding our Executing Sub-Managers' trading away practices, their percentage of Client trades traded away, and any additional costs you may incur.

Each Executing Sub-Manager is responsible for ensuring that it complies with its best execution obligations to the Client.

### Eagle's Reviews

We monitor the trading activity of SMA Program Executing Sub-Managers and trading activity within the Representative Directed and UMA Programs. We have hired a third-party vendor to analyze the trading activity within these programs and to provide us with periodic execution reports so that we can assess whether these trades comply with best execution obligations.

## ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

### IAR: REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY PROGRAMS

Your IAR is the portfolio manager in the RPM and UMA Discretionary Programs described in this Brochure and has access to the information that you provide at account opening, including information in the RTQ. If information previously provided to your IAR changes, you should notify your IAR.

### SUB-MANAGERS

Sub-Managers may request that we provide them with information about you and your account (including your financial situation and investment objectives), and we may provide your Sub-Managers with a list of all transactions effected on your behalf. Your selection of a Sub-Manager constitutes your consent to Investnet providing the Sub-Manager with that information, as well as information about you and copies of your account statements. You may revoke that consent at any time by terminating your account.

**Model-Delivery Sub-Managers.** Certain Sub-Managers provide a model to Investnet and are not responsible for the ongoing trading of your account. Unless you request otherwise, for these strategies, the Sub-Manager usually does not receive any Client specific information.

**Executing Sub-Managers.** Certain Sub-Managers are responsible for ongoing management and trading of the account. For these strategies, Eagle provides Investnet, which then provides the Sub-Manager with your account number, deposit and withdrawal information, requested investment restrictions, and selected strategy. Eagle promptly provides updated information based on any changes in Client preferences that you communicate to Eagle (e.g., change in investment restrictions).

### INVESTNET

Investnet has access to the information that you provide at account opening, including information in the RTQ. If you provide your IAR with updates, Investnet will have access to the updated information as well.



## ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

For all the programs described in this Brochure, your Eagle IAR will be available to consult with you on at least an annual basis.

### IAR: REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY PROGRAMS

Your Eagle IAR acts as a portfolio manager in the RPM and UMA Discretionary accounts. In these Programs, you may contact your IAR at any time during normal business hours.

### SUB-MANAGERS

For the programs described in this Brochure where the Sub-Manager has investment discretion over your account, the number of meetings per year is generally at the Sub-Manager's discretion; however, Sub-Managers may make their personnel familiar with your account available for consultation with you and your IAR, upon reasonable request.

## ITEM 9: ADDITIONAL INFORMATION

### A. DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Eagle does not have any material disciplinary information to report.

#### I. BROKER-DEALER REGISTRATION

Eagle is not registered as a broker-dealer. Certain management persons and back office personnel of Eagle are also registered representatives of NYLIFE Securities, an affiliated broker-dealer. All Eagle IARs are registered representatives of NYLIFE Securities.

#### II. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISOR

Neither Eagle nor any of its management persons are registered as a Futures Commission Merchant, Commodity Pool Operator or as a Commodity Trading Advisor.

#### III. REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Eagle is federally registered as an investment adviser with the Securities and Exchange Commission. It is not registered as an investment adviser in any state nor are we required to be.

#### IV. MATERIAL RELATIONSHIPS WITH RELATED PERSONS

Eagle is a wholly owned subsidiary of NYLIFE LLC, which in turn is a wholly owned subsidiary of New York Life Insurance Company, a New York mutual life insurance company. Eagle is also an affiliate of two other insurance companies, NYLIAC and NYLIFE Insurance Company of Arizona. New York Life's and its affiliated insurance companies' principal business is the sale of individual and group life insurance and annuity contracts. Eagle IARs, acting in their capacity as agents of New York Life and its affiliated insurance companies, receive compensation for the sale of proprietary insurance and annuity products.

We are affiliated with the following broker-dealers, which are indirect wholly-owned subsidiaries of New York Life.

**NYLIFE Securities LLC ("NYLIFE Securities")** is a registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Authority. All Eagle IARs are also registered representatives of NYLIFE Securities and, acting in their capacity as registered representatives of NYLIFE Securities, receive commissions or other compensation for the sale of securities products offered through NYLIFE Securities that do not involve Eagle programs. Eagle's LWP accounts utilize the NYLIFE Securities brokerage platform through which trades in the account are processed; however, Eagle IARs do not receive commissions for securities transactions effected in LWP accounts. The actual trades take place at NFS, the clearing broker-dealer. A conflict exists because Eagle works through an affiliate to open the LWP accounts.

- Transfers between Eagle and NYLIFE Securities brokerage accounts: Eagle reserves the right to journal securities from your Eagle account to a NYLIFE Securities brokerage account in your name with a matching registration. Eagle does not provide advice on any securities in NYLIFE Securities brokerage accounts.

**NYLIFE Distributors LLC ("Distributors")** is registered with the SEC as a broker-dealer and is the principal underwriter of the MainStay mutual funds, which are managed by New York Life Investment Management LLC, an Eagle affiliate. Distributors is also the principal underwriter for variable insurance and variable annuity contracts issued by NYLIAC.

Eagle is affiliated with several registered investment advisers. New York Life Investment Management LLC is the manager of the Mainstay mutual funds, and other Eagle affiliates are sub-advisers to certain of these funds. Eagle is also affiliated with Index IQ Advisors LLC, which is the manager of the IndexIQ exchange traded funds. Conflicts may arise because investments in affiliated funds generate additional management fees and other compensation to Eagle's affiliates. This conflict is mitigated because Eagle and the IAR receive no portion of this compensation.

Currently, Eagle's investment adviser affiliates do not provide investment advisory services directly to Eagle Clients. A listing of the registered investment advisers that are affiliated with Eagle can be found in Eagle's Form ADV Part 1.

## B. CODE OF ETHICS

### I. CODE OF ETHICS PURSUANT TO SEC RULE 204A-1

The Eagle Strategies Code of Ethics (“Code”) sets forth the standards of business conduct for Eagle personnel defined as “Supervised Persons” under SEC guidelines, and serves as an ethical blueprint for ensuring that all Eagle Clients are treated fairly. In general, Supervised Persons include IARs, staff members and NYLIC employees who primarily work on Eagle business. The Code emphasizes the core values of the Eagle organization, our commitment to compliance with securities laws, and protection of material nonpublic information. The Code also sets forth ethical standards to which all Eagle IARs are expected to adhere, including but not limited to, requirements to observe guidelines regarding fiduciary responsibilities and restrictions on the giving and receipt of gifts. In addition, certain individuals with access to Eagle account order or holdings data, who are considered “Access Persons” under the Code, are also subject to additional requirements regarding personal trading noted below. The Code is one of the tools we use to mitigate some of the conflicts of interest set forth in the Brochure.

We will provide the Code to all Clients and prospective Clients upon written request to:

Eagle Strategies LLC  
Attn: Eagle Securities Standards  
51 Madison Avenue, Room 251  
New York, NY 10010

### II. RECOMMENDATIONS INVOLVING SECURITIES IN WHICH EAGLE HAS A MATERIAL FINANCIAL INTEREST

For the programs described in this Brochure, an Eagle IAR or a Sub-Manager may recommend a mutual fund or ETF that is managed by an Eagle affiliate. In the GP and RAA programs, you may choose not to purchase that product. In the RPM Program and IAR selected positions or sleeves within a UMA, you may instruct the IAR not to purchase funds advised by an Eagle affiliate. For the FA and SMA program and portion of UMA invested in an FA or SMA strategy, since the managers have discretion over the Securities in the model, you will not have the ability to restrict the use of affiliated funds. However, you could you may work with your IAR to select a new manager or strategy. In addition, Eagle and our IARs do not receive fees on affiliated funds that are held in retirement accounts. Please see Item 4C (*Additional Information Regarding Fees and Compensation*) for additional information.

### III. CONFLICTS IN CONNECTION WITH PERSONAL TRADING

From time to time, an Eagle IAR, Sub-Manager or affiliate may:

- recommend to you, or buy or sell for your account, securities in which we, an IAR, Sub-Manager or affiliate has a material financial interest;

- invest in the same securities (or related securities, such as warrants, options or futures) that we, an IAR, Sub-Manager or an affiliate recommends to you; or
- recommend securities to you, or buy or sell securities for your account, at or about the same time that we, an IAR, Sub-Manager or an affiliate, buys or sells the same securities for their own accounts.

A conflict could arise where the Sub-Manager, an Eagle affiliate or the IAR takes an action with a security that disadvantages a Client purchasing or selling the same security. Also, Eagle's affiliates may periodically acquire confidential information about the funds available within the Representative Directed Programs; however, Eagle does not coordinate advisory activities with its affiliates. For IARs, The Code specifies personal securities transaction procedures designed to prevent unethical trading practices, and includes prohibitions on trading on knowledge about Client transactions. We also monitor the personal trading activities of certain Eagle personnel, IARs and staff to identify instances where these policies may have been violated.

#### **IV. CONFLICTS IN CONNECTION WITH TIMING OF PERSONAL TRADING**

From time to time, Eagle IARs and their staff may own or seek to trade in the same securities that are being bought or sold in Client accounts. The Code prescribes procedures designed to prevent unethical trading practices in the personal securities accounts of Eagle personnel. In addition, Eagle monitors the accounts of IARs and their staff, who are designated as Access Persons. This review utilizes certain criteria to identify if they trade in a covered security within seven days before or after an IAR's Client trades in the same security. A similar review is applied to Access Persons who are not IARs and staff, such as Home Office Personnel. For this group, the review utilizes certain criteria to identify if they trade in a covered security within one day or seven days before or after any Client trades in the same security, depending on the individual's role.

### **C. REVIEW OF ACCOUNTS**

#### **I. PERIODIC REVIEWS**

Your Eagle IAR will be available to consult with you at least annually to review your current financial situation, risk tolerance and time horizon, as well as to verify that your profile information is current and accurate and to update any investment restrictions. In addition, at your request, your IAR is available to review your account's investment allocation, performance and the fees of the program that you selected. Based on these reviews, your IAR may recommend adjustments to your investment allocation, strategy or program, as appropriate. Please carefully consider any recommendation before accepting it.

We determine the policies and reports for monitoring accounts participating in the Representative Directed Programs. Examples of reports include a concentrated positions report and a risk report. These reports are monitored by a team reporting to the Corporate Vice President of Eagle's Securities Standards department. For Clients participating in the other investment advisory and solicitor programs described

Eagle's Firm Brochure, the periodic reviews will differ. Please refer to Eagle's Firm Brochure or the applicable investment adviser's Form ADV Part 2A for more information.

On an annual basis, the Managing Partner of, or another designated person within, the office to which your IAR is assigned reviews a sample of Eagle client files for each IAR in that office.

## **II. NON-PERIODIC REVIEWS**

In the event of a Client complaint or other concern, we will review the Client's relevant account(s).

## **III. REGULAR REPORTS PROVIDED TO CLIENTS**

For the LWP Programs, you will receive quarterly performance reports from Envestnet. These reports include performance information, current portfolio composition, and the reinvested and paid earnings with respect to your holdings. These reports are mailed or emailed directly to you and, where applicable, posted by Envestnet to the Internet on a quarterly basis. The reports are available at [https://advisor.envestnet.com/secure/app.jsp?\\_channel=nf](https://advisor.envestnet.com/secure/app.jsp?_channel=nf). In addition, based on trading activity within the account, you will receive prospectuses (where applicable), trade confirmations, monthly statements and transaction history reports from NFS, the account's custodian, which are also mailed or emailed to you and, where applicable, posted by NFS to the internet (available at [www.eaglestrategies.com](http://www.eaglestrategies.com)).

All reports described above are written.

## **D. CLIENT REFERRALS AND OTHER COMPENSATION**

### **I. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

We are a party to cash solicitation agreements with Brinker Capital and Frontier Asset Management ("Advisers"), which are unaffiliated investment advisers. We and our IARs receive compensation pursuant to these agreements for introducing Clients to these Advisers and for providing certain ongoing services. This compensation is typically equal to a percentage of the investment advisory fee charged by the Advisers (which, in turn, is based on the total assets being managed by the Advisers on a Client's behalf). Such compensation will differ depending on the terms of the agreement between the Advisers and Eagle. This compensation is generally paid to us by the Advisers on a monthly or quarterly basis, depending on the Program, from which we pay a portion to the IAR. To the extent that one Adviser pays Eagle a higher solicitor fee than the other to manage a given level of assets, the IAR has an incentive to recommend the higher paying Adviser over the other. Additional disclosure, including applicable Forms ADV and solicitor disclosure documents, will be provided to the Client at the time of solicitation in accordance with Rule 206 (4)-3 under the Investment Advisers Act.

You should be aware that the receipt of additional compensation itself creates a conflict of interest. We address such conflicts through disclosure. Please see Item 4C (*Additional Information Regarding Fees and*

*Compensation*) and Item 4D (*Compensation to Investment Adviser Representatives and Conflicts*) for additional information.

## **II. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Eagle does not currently have any referral arrangements with non-advisory personnel.

## **E. FINANCIAL INFORMATION**

### **I. BALANCE SHEET**

To request a copy of Eagle's most recent audited financial statement, which includes its balance sheet, please contact your IAR or Eagle directly at (888) 695-3245.

### **II. FINANCIAL CONDITION REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Eagle is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients.

### **III. BANKRUPTCY PETITIONS DURING THE PAST TEN YEARS**

Eagle has never filed a bankruptcy petition nor been subject to an involuntary bankruptcy petition.