

# ERISA 408(b)(2) Plan Compensation Disclosure

**Client, please retain this disclosure for Your records**

Under the Employee Retirement Income Security Act ("ERISA") rules, there are several different forms of compensation that Covered Service Providers, like Benjamin F. Edwards ("BFE"), can receive. Below is a description of, and pertinent information about, each type of compensation BFE receives in connection with your Qualified Retirement Plan ("Plan"). BFE'S various compensation disclosures will be organized throughout this document based on the particular type of account and services we offer. BFE will negotiate certain costs for services and, as a result, there are different compensation or costs paid by other retirement Plan clients even where selected services are similar.

In this disclosure document, "BFE", "we" and "our" refer to either Benjamin F. Edwards & Co., a dually registered broker-dealer and SEC-registered investment adviser, or its affiliate Benjamin F. Edwards Wealth Management, an SEC-registered investment adviser. Benjamin F. Edwards Wealth Management offers brokerage services through Benjamin F. Edwards & Co.

BFE believes it is important for clients to understand our compensation arrangements so informed decisions can be made as to whether to participate in BFE's programs. For purposes of this disclosure document, compensation is considered to be anything of monetary value but does not include non-monetary compensation valued at \$250 or less, in the aggregate, during the term of our agreement or arrangement with you.

## **Non-Fiduciary Brokerage Services**

- **Type of Direct Compensation: Commissions**
- **Source of Payment: Plan Assets**

Commissions are transactional in nature. Therefore, the costs to the Plan in connection with account activity will vary from year to year. These commissions are subject to change without prior notice. Please see BFE's various fees and commissions schedules on our website, [benjaminfedwards.com](http://benjaminfedwards.com), under [Important Disclosures](#).

Mutual funds are sold by prospectus. Sales charges vary by fund company and by share class purchased. Please refer to the product issuer's prospectus for sales charge details, which your financial advisor can obtain for you, if desired.

Insurance and annuities are sold by contract. Various charges and expenses apply to these types of contracts. Please refer to the product issuer's contract and supplemental materials for details.

Alternative investment products are sold by prospectus or partnership memorandum. Please refer to the product issuer's materials for details.

Additional information pertaining to product-related fees and expenses, including compensation BFE receives, is available in our [Regulation Best Interest Disclosure](#) and [Revenue Sharing Disclosure](#), which are both available on our [website](#) under [Important Disclosures](#).

A listing of investment providers with which BFE has selling or servicing agreements is available at [benjaminfedwards.com/408b2](http://benjaminfedwards.com/408b2).

The information in the section above applies both to Plans held at BFE and to Plans in which the assets are held direct on third-party platforms (BFE acts as broker of record on "Held Away Plans").

Brokerage statements and trade confirmations generated from transactions serve as the official record of applicable charges for Plans held at BFE.

In relation to the third-party documents referenced above and throughout this document (e.g. prospectuses, contracts and partnership memorandums, etc.), BFE makes no representations as to the completeness or accuracy of such materials.

- **Type of Indirect Compensation: 12b1 Fees**
- **Source of Payment: Plan Assets**

Mutual funds, managed futures and hedge funds are sold by prospectus. Fees related to the marketing and

distribution of the funds (referred to as “12b-1 fees”) vary by fund company and by share class purchased. FINRA rules prohibit 12b-1 fees from exceeding 1%. This 1% is comprised of two parts: a distribution fee and a shareholder service fee. The distribution fee cannot exceed more than 75 basis points (.75%), while the shareholder service fee limit is 25 basis points (.25%). Please refer to the product issuer’s prospectus for details regarding 12b-1 fees.

BFE has an incentive to recommend and sell products that make 12b-1 payments to us over other products that do not make such payments, or which pay us less, rather than based on clients’ needs. Additional information on the conflicts of interest presented by these arrangements is available in BFE’s [Revenue Sharing Disclosure](#).

The information in the section above applies both to Plans held at BFE and to Plans Held Away from BFE.

- ***Type of Indirect Compensation: Revenue Sharing***
- ***Source of Payment: Investment Manager Revenues***

Revenue sharing payments are in addition to sales charges, 12b-1 fees, redemption fees and deferred shares charges, and other fees and expenses described in the product issuer’s prospectus. Revenue sharing payments are paid out of the product issuer’s revenues or profits and not from fund assets.

Additional information on these conflicts of interest and a list of companies providing such payments to BFE, including a range of payment amounts, is available in BFE’s [Revenue Sharing Disclosure](#).

The information in the section above applies both to Plans held at BFE and to Plans Held Away from BFE.

- ***Type of Indirect Compensation: Marketing Support***
- ***Source of Payment: Investment Products or Service Providers***

From time to time, investment product and service providers offer marketing support in connection with educational conferences, events, seminars and workshops that BFE offers to its financial advisors or clients. These events are educational in nature and are not in connection with any particular Plan or arrangement, but your Plan may own a product offered by the investment provider. The support consists of payments for educational materials or conference

expenses. There is no payout or other financial incentive to financial advisors to sell products offered by parties from whom BFE receives such payments.

BFE has an incentive to recommend and sell products that make marketing support payments to us over other products that do not make such payments, or which pay us less, rather than based on clients’ needs. Additional information on these conflicts of interest and a list of companies providing such payments to BFE, including a range of payment amounts, is available in BFE’s [Revenue Sharing Disclosure](#).

The information in the section above applies both to Plans held at BFE and to Plans Held Away from BFE.

- ***Type of Compensation: Related Party – Pershing LLC (“Pershing”) Account Fees***
- ***Source of Payment: Plan Assets***

Pershing acts as a subcontractor and provides trade execution and clearing, custody of assets, and other securities services for BFE. Through our relationship with Pershing, fees may be charged to your account based on services provided, many of which are transactional in nature. Therefore, the costs to the Plan or Your Account in connection with the account activity will vary from year to year. Most of these fees are passed directly to Pershing; however, BFE retains a portion of certain fees.

In addition, Pershing earns additional compensation from certain third parties in connection with providing brokerage services to BFE, including mutual fund fees, money fund and FDIC-insured bank product fees, annuity fees, alternative investment network fees, sponsorship fees, payments for order flow, and float.

Brokerage statements and trade confirmations generated from transactions serve as the official record of applicable charges. Fees are subject to change without prior notice. For schedules of fees and commissions, and additional information about compensation paid to Pershing, please refer to [benjaminfedwards.com/408b2](http://benjaminfedwards.com/408b2). Additional information on our arrangement with Pershing is available in BFE’s [Revenue Sharing Disclosure](#).

### ***Fiduciary Investment Advisory Services***

- ***Type of Direct Compensation: Advisory Fee***
- ***Source of Payment: Client pays fees directly through non-Plan account, or fees paid from Plan Assets (as selected by Client)***

Fees for advisory services are generally charged quarterly, in advance, based on a percentage of assets under management. The advisory fees BFE receives are disclosed in your advisory account agreement with BFE.

A schedule of our advisory fees is also available on our [website](#) in the [Investment Advisory Program Disclosures](#) section under [Important Disclosures](#).

- ***Type of Indirect Compensation: Marketing Support***
- ***Source of Payment: Investment Product or Service Providers***

From time to time, investment product and service providers offer marketing support in connection with educational conferences, events, seminars and workshops that BFE offers to its financial advisors or clients. These events are educational in nature and are not in connection with any particular Plan or Plan Participant account, but your Plan or account may own a product offered by the investment provider. The support consists of payments for educational materials or conference expenses. There is no payout or other financial incentive to financial advisors to sell products offered by parties from whom BFE receives such payments.

BFE has an incentive to recommend and sell products that make marketing support payments to us over other products that do not make such payments, or which pay us less, rather than based on clients' needs. Additional information on these conflicts of interest and a list of companies providing such payments to BFE, including a range of payment amounts, is available in BFE's [Revenue Sharing Disclosure](#).

- ***Type of Compensation: Related Party – Pershing Account Fees***
- ***Source of Payment: Plan Assets***

Pershing acts as a subcontractor and provides trade execution and clearing, custody of assets, and other securities services for BFE. Through our relationship with Pershing, fees may be charged to your account based on

services provided, many of which are transactional in nature. Therefore, the costs to the Plan or Your account in connection with the account activity will vary from year to year. Most of these fees are passed directly to Pershing; however, BFE retains a portion of certain fees.

In addition, Pershing earns additional compensation from certain third parties in connection with providing brokerage services to BFE, including mutual fund fees, money fund and FDIC-insured bank product fees, annuity fees, alternative investment network fees, sponsorship fees, payments for order flow, and float.

Brokerage statements and trade confirmations generated from transactions serve as the official record of applicable charges. Fees are subject to change without prior notice. For schedules of fees and commissions, and additional information about compensation paid to Pershing, please refer to [benjaminfedwards.com/408b2](http://benjaminfedwards.com/408b2). Additional information on our arrangement with Pershing is available in BFE's [Revenue Sharing Disclosure](#).

- ***Type of Compensation: Related Party – Third-Party Money Managers***
- ***Source of Payment: Plan Assets***

BFE retains a portion of advisory fees received as compensation for the services provided; the remainder is used to compensate third-parties like Pershing, Lockwood Advisors (an affiliate of Pershing), and, when applicable, third-party money managers or model providers for services they provide.

The advisory fees discussed above do not include certain expenses charged by products such as mutual funds, exchange traded funds, or exchange traded notes. Please refer to the product's prospectus. Some of these expenses, such as investment management fees, are retained by product issuers or their affiliates. Some mutual fund fees, like 12b-1 fees, service fees related to personal services for investors and/ or the maintenance of shareholder accounts, and other shareholder servicing fees, are shared with Pershing and/or BFE. For ERISA Plans, BFE only receives 12b-1 fees when non-fiduciary services are provided to the Plan. Such fees are typically charged as a percentage of the asset value under management. Nor does the fee discussed above include surrender charges, contingent deferred sales charges, or other charges associated with the liquidation or

redemption of certain securities, like mutual funds, that may be transferred into the program and sold.

BFE has an incentive to recommend and sell products that make the payments described above to us over other products that do not make such payments, or which pay us less, rather than based on clients' needs. Additional information on the conflicts of interest presented by these arrangements is available in BFE's [Revenue Sharing Disclosure](#).

Third-party money managers providing services to the Advisory Portfolio programs may pay transaction charges including commissions, mark-ups, mark-downs, or spreads which may increase the underlying expenses associated with client transactions, and thus affect the performance of the account. BFE receives no soft dollar compensation, and if you pay a wrap fee, the cost of execution of transactions is included as part of the fee.

### ***Retirement Plan Consulting Services***

- ***Type of Direct Compensation: Consulting Fee***
- ***Source of Payment: Client pays fees directly through non-Plan account, invoiced payment from client or fees paid from Plan Assets (as selected by Client)***

The Retirement Plan Consulting Program is a service whereby BFE may, based on negotiated scope of services, consult with retirement Plan fiduciaries, participants and other parties. BFE will not manage Plan assets as a part of this program.

Quarterly fees are charged for Retirement Plan Consulting. Fees are disclosed in your consulting services agreement.

Additional information and a schedule of our advisory fees is also available on our [website](#) in the [Investment Advisory Program Disclosures](#) section under [Important Disclosures](#).

### ***Fiduciary or Non-Fiduciary Broker of Record Services (Plan assets held with third-party investment provider; Edwards named as broker of record)***

- ***Type of Indirect Compensation: Fees***
- ***Source of Payment: Investment or Service Provider***

Fees are paid to the broker of record for services agreed upon with the Plan, Plan Participant and third-party

investment or service provider. For additional information, please refer to your service agreement with the third-party investment or service provider.

### ***Conclusion***

BFE is providing this information so its clients can understand the different forms of direct and indirect compensation BFE receives in connection with the servicing of qualified retirement plans.

Should you have any questions on the information covered in this document, or about the services BFE offers, please contact your financial advisor. You may also request your financial advisor provide paper copies of this document or any of the documents referenced from our website.