

# Ladenburg Thalmann Asset Management Inc.

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## *Form ADV Part 2A - Firm Brochure*

**This brochure provides information about the qualifications and business practices of Ladenburg Thalmann Asset Management Inc. If you have any questions about the contents of this brochure, please contact us at (800) 995-5267 or [lamp@ladenburg.com](mailto:lamp@ladenburg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Ladenburg Thalmann Asset Management Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

03/31/2022

## Item 2 – Summary of Material Changes

This section provides a summary of material changes that were made to this brochure since the last annual amendment dated March 31<sup>st</sup>, 2021. Ladenburg Thalmann Asset Management Inc. (“LTAM”) may make interim changes to this brochure throughout the year. Each brochure must be filed with the SEC and can be viewed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Material Changes:

- Item 4: Advisory Business, Fund Management: LTAM will no longer serve as the Alternative Strategies Fund Investment Adviser.
- Item 10 – Other Financial Industry Activities and Affiliations: This section was amended to disclose a new Related Person, who is under common control of parent company Advisor Group Holdings, Inc.
- Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading section was updated to clarify the front-running policy.

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## Item 4 – Advisory Business

Ladenburg Thalmann Asset Management (“LTAM”) is a SEC Registered Investment Advisory firm, established in 1982, and has over \$3.0 billion in assets under management. LTAM is a wholly owned subsidiary of Advisor Group Holdings, Inc. (“AGHI”) which provides investment banking, equity research, institutional sales and trading, independent brokerage and advisory and asset management services through its subsidiaries. AGHI is also the holding company of Ladenburg Thalmann & Co. Inc. (“LTCO”), a registered broker-dealer, which was established in 1876. AGHI is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P. and The Berliniski Family 2006 Trust.

LTAM, is led by CEO Philip Blancato and COO Jaime Desmond. LTAM has 15 full-time employees supporting the organization in the areas of market research and analysis, manager and fund due diligence, trading and operations activity, consulting services and business development. Additional information can be found at [www.ltam.com](http://www.ltam.com)

### *Types of LTAM Advisory Services*

#### Consulting Services

LTAM provides personal consultations to clients that are intended to address the client’s individual questions, financial needs, and personal circumstances. The consulting services may encompass a wide variety of issues and topics, including investment recommendations. The consulting services may include the preparation of and/or updates to a written financial plan. The client has sole responsibility for determining whether to implement any recommendations made during any personal consultation or in a financial plan. The client may, but is not required to, implement any of the recommendations through LTAM as investment adviser or through any of its affiliates. If the client chooses to use LTAM or an affiliate to implement any recommendations, those activities are separate and distinct from the financial consulting services provided by LTAM under a consulting services agreement.

#### Fund Management

##### *Alternative Strategies Fund*

LTAM was the investment adviser to the Alternative Strategies Fund. Going forward, LTAM will no longer serve as the Alternative Strategies Fund investment adviser. At a special meeting of the Board held on September 30, 2021, the Board of Trustees (the “Board”) approved a new investment advisory agreement with SCG Asset Management, LLC. A proxy vote determined the new adviser on December 13, 2021. For additional information on SCG Asset Management, LLC information, please visit [www.adviserinfo.sec](http://www.adviserinfo.sec) and refer to their Form ADV Part 2A.

For information about the material risks associated with the Fund’s investment strategies, see the fund’s prospectus. Prospectuses are available at [www.ltafx.com](http://www.ltafx.com) or by contacting the fund administrator toll-free at 1-877-803-6583.

##### *Ladenburg Funds*

LTAM is the investment adviser to five funds collectively called the Ladenburg Funds. The five Ladenburg Funds are Ladenburg Income Fund, Ladenburg Income & Growth Fund, Ladenburg Growth & Income Fund, Ladenburg Growth Fund, and the Ladenburg Aggressive Growth Fund. Each of the Ladenburg Funds is an open-end fund of funds that primarily invests in a combination of equity, fixed income and alternative strategy exchange traded funds (“ETFs”), exchange traded notes (“ETNs”) and mutual funds (together, “Underlying Funds”). The Funds employ the same investment strategies and features as the ones LTAM employs in managing separate client accounts in in the Ladenburg Asset Management Program (“LAMP”), which is described below under LTAM Sponsored Programs.

Each Fund will have substantially the same investment objective, policies and strategies as its corresponding separate account strategy. Funds’ fees can be more or less than the fees and expenses

associated with the separate accounts managed by LTAM in LAMP. The Fund's results will differ from that of the separate accounts in LAMP managed in a similar strategy because of differences in future behavior of the various investment markets, brokerage commissions, account expenses, the size of positions taken in relation to account size and diversification of securities, and the timing of purchases and sales, among other things. The Ladenburg Funds offer A, C, and I share classes in each fund. LTAM is the distributor of the Funds and can also receive commissions when executing trades on behalf of the Funds. There is a conflict of interest when LTAM or its affiliates recommend any of the Ladenburg Funds. For more information, please see the *Conflicts of Interest* section below.

Information about the Ladenburg Funds and the services LTAM provides to them can be found in Funds' prospectus. Prospectuses are available at [www.ladenburgfunds.com](http://www.ladenburgfunds.com) or by contacting the fund administrator toll-free at 1-877-803-6583.

### ***The Ladenburg Total Portfolio Series (Collective Investment Trusts)***

LTAM is the investment adviser to The Ladenburg Thalmann Total Portfolio Series which is a series of Collective Investment Trusts ("CITs"). The CITs are a series of 5 portfolios established for qualified retirement plans, such as 401(k) plans and Profit-Sharing Plans. The portfolios are generally comprised of Exchange Traded Funds ("ETF") which closely mimic LTAM's traditional LAMP ETF models. The CITs are maintained by a bank trust, and are offered in 2 share classes, Advisory or Investor.

### **LTAM 3(38) Investment Manager Program**

LTAM will also act an "investment manager" as defined by section 3(38) of ERISA, to provide 3(38) Manager Program Services in agreement with either a Plan Fiduciary and/or a Sponsor. LTAM offers the Qui(k) program (Qui(k)), a fully-bundled 401(k) plan offering that incorporates a broad selection of investment products that are selected and monitored by LTAM, which serves as the ERISA Section 3(38) investment fiduciary for the plans associated with the platform. Through Qui(k), LTAM has entered into an agreement to provide 3(38) investment fiduciary services to TRG Fiduciary Services, LLC (TRGF). TRGF is the Pooled Plan Provider (PPP) for the Qui(k) platform, TRGF's Pooled Employer Plan (PEP). LTAM, as well as the other Qui(k) platform service providers, are engaged by TRGF in their capacity as the PPP named fiduciary and PEP plan sponsor. Employers who participate in Qui(k) will sign a separate agreement engaging TRGF as the PPP. The specific manner in which fees are charged is established for a client in the client's written investment advisory agreement.

### **LTAM Sponsored Programs**

LTAM also provides advisory services through several LTAM-sponsored programs, including: Ladenburg Architect, Ladenburg Asset Management Program ("LAMP"); the Private Investment Management ("PIM") Program; and the Investment Consulting Services ("ICS") Program and Plan Sponsor and Plan Participant Services.

Under these programs, clients generally pay a single fee that covers both advisory services provided by LTAM and brokerage services provided by its affiliated broker-dealers. These broker-dealers, LTAM, Triad Advisors, LLC, and Securities America, Inc., as applicable, receive a portion of the wrap fee, as does the financial adviser servicing the account.

In certain cases, LTAM or another investment adviser may recommend/require that clients establish brokerage accounts to maintain custody of clients' LAMP or ICS assets and to effect trades for their accounts with a broker-dealer that is not affiliated with the investment adviser or LTAM ("Unaffiliated Broker"). For more information see "Brokerage Practices" below. Additional information about the LTAM sponsored programs and descriptions of the applicable fee schedules are set forth in separate program brochures that are available upon request.

### **Separately Managed Accounts**

LTAM manages separate accounts in wrap and non-wrap programs that are sponsored by third party investment advisers. LTAM also manages separate accounts for clients that are referred by third party investment advisers outside of a sponsored program. Investment management provided to these clients is substantially the same as that provided to clients in the wrap fee programs sponsored by LTAM. However,

the different structures of various programs or other arrangements can result in differences in how accounts are managed inside and outside of LTAM sponsored programs.

### Symbil®

LTAM operates Symbil, an online, interactive tool designed to assist clients in selecting among the five Ladenburg Funds. The service is accessed through the Symbil website at [www.Symbil.com](http://www.Symbil.com). Symbil uses a client questionnaire to gauge the client's time horizon, risk tolerance and investment objectives and creates the client's investment profile. The Symbil tool suggests the Ladenburg Fund whose investment guidelines and asset allocation most closely matches this profile. LTAM does not exercise any form of discretion over a Symbil client's investments. Clients have no obligation to accept any suggestions provided by Symbil or to invest in any of the Ladenburg Funds. Symbil does not provide comprehensive investment advice or consider other assets held by clients. Additional information about Symbil set forth in a separate program brochure that is available upon request or at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Allocation Consulting Services

LTAM provides model allocations and updates to those models to other registered investment advisers for a service fee. These other advisers utilize the models to provide advice to their clients. LTAM generally does not provide investment advice directly to these clients. The other registered investment adviser, not LTAM, has the authority to conduct trading activity as necessary to change or rebalance their clients' portfolios, in accordance with any changes to the model allocations provided. Currently LTAM provides this service to advisers, including Envestnet Asset Management, Inc. ("Envestnet"), ChangePath, LLC ("ChangePath") and Orion Portfolio Solutions, LLC ("Orion"). None of these companies are affiliated with LTAM. LTAM does not provide any individualized advice with respect to ChangePath or Orion clients but may provide advice to Envestnet with respect to specific trades for its client accounts. For more information regarding Envestnet, ChangePath and Orion please visit [adviserinfo.sec](http://adviserinfo.sec) and refer to their respective registered investment adviser's Form ADV Part 2A.

### ***Individual Client Needs and Restrictions***

For consulting services, clients inform their LTAM financial adviser of their investment objectives, risk tolerance, and investment time horizon and give their financial adviser any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, LTAM tailors its advisory services to the individual needs of the client. These clients can impose reasonable restrictions on investments in certain securities or types of securities.

With respect to fund management, LTAM tailors its advice to the fund itself, not to the individual investors in the fund.

With respect to LTAM wrap fee programs and separately managed accounts, clients inform their financial adviser, who may be a representative of LTAM or another investment adviser, of their investment objectives, risk tolerance, and investment time horizon and give their financial adviser any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the financial adviser assists the client in selecting an investment strategy. Clients can impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. The financial adviser will communicate any restrictions imposed by the client to LTAM. LTAM may reject the restriction or the account if LTAM deems the restriction to be unreasonable. In the absence of client-specified investment restrictions, guidelines or policies and/or other modifications to the implementation of a strategy that have been accepted by LTAM, LTAM will generally manage accounts in a manner very similar to that of other clients who have selected the same strategy.

With respect to asset allocations services, LTAM generally provides advice to another registered investment adviser, who is responsible for tailoring that advice to the individual needs of their clients. Upon request, LTAM may provide the investment adviser with advice specific to one or more clients. In all cases, the other adviser is responsible for decisions regarding client-imposed restrictions on investment in certain securities or types of securities.

### *Assets Managed*

LTAM managed \$1,422,316,704.00 of assets on a discretionary basis and \$2,288,877,604.00 of assets on a non-discretionary basis as of 12/31/2021.

### Item 5 – Fees and Compensation

LTAM is compensated for its advisory services as set forth below. All fees are subject to negotiation. The specific manner in which fees are charged by LTAM is established for a client in the client's written investment advisory agreement with LTAM.

#### Consulting Services

LTAM generally charges either a one-time flat consulting fee, a periodic flat fee, an hourly fee, or a periodic asset-based fee for consulting services in advance. The fee type and amount or rates are subject to negotiation between LTAM and each client. The actual fee rates paid by the client will be set forth in the client's agreement with LTAM. The maximum asset-based consulting fee is an annual fee rate of 0.75%. The fee is based on the value of the assets in designated accounts and will be pro-rated for any partial quarters.

The value of the assets will be based on information provided by the custodian of the assets, the client or other third party, as applicable. LTAM is entitled to rely on the financial and other information that the client, any custodian, or any other third party provides to LTAM. LTAM does not independently verify this information nor does LTAM guarantee the accuracy or validity of such information. LTAM will generally send the client an invoice for the Fee, which will be due within thirty days of the client's receipt of the invoice, unless the client instructs custodian to take instructions from LTAM to debit the fee from one of client's accounts. The Fee covers only the consulting services provided by LTAM under the consulting services agreement.

In addition to the consulting fee that clients pay to LTAM, clients who chose to implement the recommendations will incur certain fees and charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers.

The fees and charges can include: brokerage commissions, mark-up or mark-downs on principal transactions, transaction fees, exchange fees, SEC fees, custodial fees, deferred sales charges, transfer taxes, confirmation, statement, prospectus fees, wire transfer and electronic fund processing fees.

Each mutual fund, exchange-traded fund ("ETF") or private fund in which a client may invest also bears its own investment advisory fees and other expenses. Fund transactions are also subject to applicable commissions, transaction charges or other fees.

If the client chooses to implement any portion of the recommendations through LTAM or an affiliate, LTAM and its affiliates will receive additional compensation. For example, if the client decides to implement a portion of the recommendations through a LTAM advisory program, the client will pay program fees to LTAM in connection with the program as part of the total advisory fee that is negotiated with the LTAM financial adviser who will generally receive a portion of advisory fees for services rendered under the LTAM program.

Similarly, if the client decides to implement a portion of the recommendations through a brokerage account at LTCO or at another broker-dealer affiliate of LTAM's, the client will pay commissions and fees to LTCO or the other affiliated broker-dealer. The fee that a client pays to LTAM for consulting services will not be reduced if fees are paid to LTAM, LTCO, or its affiliates for other services.

Clients can purchase securities through broker-dealers in initial public offerings, and/or secondary offerings ("new issues"). If LTCO acts as an underwriter or manager or as a member of the selling group for such offerings, it will receive compensation equal to either all or a portion of "gross spread" (the difference between the price the client pays for the security and the price at which LTCO purchased the securities). The advisory fee is not reduced to offset this new issue securities compensation. The amount of the gross

spread is described in the relevant prospectus, offering circular or official statement.

Certain securities, such as over-the-counter stocks are traded primarily in "dealer" markets. In such markets, securities are directly purchased from, or sold to, a financial institution acting as a dealer, or "principal." Dealers executing principal trades typically include a "mark-up," "mark-down," and/or spread in the net price at which transactions are executed. When LTCO executes a transaction for a security traded in the dealer markets, LTCO either will execute the transaction as agent through a dealer unaffiliated with LTCO, or as principal in accordance with applicable law. In addition to any applicable commission or transaction fee, the client will bear the cost (including any mark-up, mark-down, and/or spread) imposed by the dealer as part of the price of the security. Thus, the dealer will receive compensation in connection with most principal trades. LTAM has a conflict of interest in using LTCO to execute principal transactions because LTCO will receive compensation in connection with the trade as dealer.

LTCO can receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. The fees received by LTCO create a conflict of interest. These fee arrangements will be disclosed upon client's request and are described in the applicable fund's prospectus.

All LTAM financial advisers are also registered broker-dealer representatives of LTCO. LTCO can share a portion of payments received from a mutual fund, CIT, or in connection with an initial public offering, a secondary offering, and/or a private placement with these LTAM financial advisers. These financial advisers can also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds or investments, including the Ladenburg Funds, and the Ladenburg Total Portfolio Series CITs. Therefore, the LTAM financial adviser has an incentive to recommend implementing the recommendations made through the consulting services through LTCO. This conflict of interest is heightened when the LTAM financial adviser recommends securities where LTCO acts as underwriter because the financial adviser typically receives more compensation in connection with these securities than in connection with other types of securities. The LTAM financial adviser will also have a heightened conflict of interest when recommending funds, CITs and other products that pay compensation.

Other forms of compensation that LTCO, LTAM's financial advisers acting in their capacity as LTCO registered representatives, and/or LTAM's other affiliated broker-dealers can earn in connection with the sale of investment products recommended to clients by LTAM are described in the *Other Financial Industry Activities and Affiliations* section below.

Clients have the option to purchase investment products that LTAM recommends through other brokers or agents that are not affiliated with LTAM. In addition, LTAM has policies and procedures in place to monitor whether any LTAM program in which client investments or any security (or other investment purchased through LTCO) is in the best interests of the client.

LTCO and LTAM's other affiliated broker-dealers receive fees in connection with the client assets participating in the Bank Deposit Sweep Program and the Insured Cash Account Program. These fees are in addition to the management fee that LTAM receives in connection with such assets pursuant to the client's advisory contract.

The types of fees and expenses of the Bank Deposit Sweep Program and the Insured Cash Account Program are different from the fees and expenses that are incurred in money market funds. Yields on money market funds in many cases exceed the interest clients receive on assets in the Bank Deposit Sweep Program and the Insured Cash Account Program. Further, although assets in the Bank Deposit Sweep Program and the Insured Cash Account Program do not pay management fees, distribution/service (12b-1) fees, or other expenses typically paid for money market funds, the assets in the Bank Deposit Sweep Program and the Insured Cash Account Program bear other expenses: the interest paid on client assets in the Bank Deposit Sweep Program and the Insured Cash Account Program is net of, and reduced by, amounts paid to the LTAM affiliated broker dealers, the custodians National Financial Services ("NFS") or Pershing, LLC ("Pershing") and service providers. See also Item 10, below, and the Disclosure Documents for the Bank

Deposit Sweep Program and the Insured Cash Account Program, which can be found at our Parent Company's website: [www.advisorgroup.com/our-firms](http://www.advisorgroup.com/our-firms) and is available upon request.

#### Fund Management

The Ladenburg Funds pay LTAM a management fee monthly in arrears which are equal to a maximum of 0.50% per annum of the assets in the fund. For more information, see the fund's prospectus.

#### CIT Management

The Ladenburg Total Portfolio Series pays LTAM an investment management fee monthly in arrears which is equal to a maximum of 0.10% per annum of the assets in the CITs.

#### LTAM 3(38) Investment Manager Program

LTAM's fee for the "3(38) Manager" Program Services is equal to a maximum of 0.10% per annum of Plan assets.

#### LTAM Sponsored Programs

Details and fee schedule regarding the fees for programs sponsored by Ladenburg Thalmann Asset Management can be found within their respective Program brochure, which is available upon request or visit [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### Separately Managed Accounts

With respect to some clients, LTAM may have a separate agreement with the client under which it charges an advisory fee for management services. The advisory fee will generally be charged quarterly in advance. However, certain clients may be charged in arrears and/or monthly. Whether the advisory fee is charged in advance or in arrears, or quarterly or monthly, is set forth in the client's LTAM agreement.

Either party at any time upon written notice can terminate the LTAM agreement and a pro rata portion of any advisory paid to LTAM by the client in advance will be remitted to the client based on the number of days left in the quarter following receipt of the notice of termination by LTAM. When the advisory fee is paid in arrears, a pro rata portion of the fee will be due by the client based on the number of days elapsed during in the quarter prior to receipt of the notice of termination.

The LTAM advisory fee covers the portfolio management services provided by LTAM and the services of any model manager utilized by LTAM to manage the account. The client will pay separately for all other expenses, such as the consulting investment adviser's fee and execution of transactions.

With respect to other clients, another registered investment adviser is responsible for paying LTAM's fee as set forth in LTAM's agreement with that adviser. For more information, see the other advisory's disclosure or wrap fee brochure.

LTAM can share a portion of the fees that it receives with an affiliated entity, as permitted by applicable law.

#### Allocation Consulting Services

For our allocation consulting services, LTAM's fee is a maximum of .50% annually based on the value of the assets managed in accordance with the applicable models. Another registered investment adviser is responsible for paying LTAM's fee as set forth in LTAM's agreement with that adviser. For more information, see the other advisory's disclosure brochure.

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

Neither LTAM nor any of its supervised persons receives performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

### Item 7 - Types of Clients

LTAM may provide consulting services to: Individuals, including high net worth individuals, including

small business owners, pension and profit-sharing plans, including the plan participants, trusts, estates and charitable organizations, corporations or other business entities, investment companies, pooled investment vehicles and other investment advisers.

LTAM also provides advisory services to registered investment companies and other registered investment advisers.

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

Investing in securities involves risk of loss that clients should be prepared to bear. LTAM does not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. LTAM cannot offer any guarantees or promises that any client's financial goals and objectives will be met. Past performance is in no way an indication of future performance. Certain advisory strategies may consist of portfolios being either fully or primarily invested in money market funds and/or short-term bond funds, depending on the client's unique financial planning needs and/or our economic market outlook. There can be a conflict of interest if LTAM and its affiliates invest in different parts of the capital structure of the same issuer and if that company is involved in a bankruptcy proceeding, each client's ability to recoup their initial investment can vary significantly. LTAM has policies and procedures to address such conflicts of interest. If there is a trade error in an account, LTAM has policies and procedures to correct the error in favor of the client.

LTAM will provide other registered investment advisers with model allocations. LTAM will evaluate the model allocations it provides and factors to be considered in monitoring performance which include comparing model portfolio performance relative to certain market indices.

The main sources of information that LTAM may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC and company press releases.

### Consulting Services

The LTAM financial adviser will assist client in the selection of other money managers or asset allocation programs. The financial adviser will assist in determining the client's investment objectives, selecting managers, funds or portfolios, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and answering questions. The financial adviser will also evaluate the overall investment strategy and performance of any third-party money manager or asset allocation program. Factors to be considered in monitoring performance include comparing client portfolio performance relative to certain market indices and other money managers.

*Margin Risk:* Leverage increases a portfolio's risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline.

*Options Risk:* The investment strategies used to manage accounts include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and option writing. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable.

Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of a European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the 'Characteristics and Risks of Standardized Options' brochure, which

can be found at [www.optionsclearing.com](http://www.optionsclearing.com).

*Other Risks:* The risks associated with investment in funds that invest primarily in private funds entail a significant amount of risk. The types of risk include: loss of all or a substantial portion of the investment due to leveraging, short selling or other speculative practices; lack of liquidity in that there may be no secondary market for the fund or the securities that make-up the fund, and none may develop or expected to develop; volatility of returns; restrictions on transferring interests in the fund; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; adviser risk; and less regulation and potentially higher fees than traditional mutual fund strategies.

Real Estate Investment Trusts (REITs) involve additional risk due to potential adverse developments affecting the real estate industry and real property, such as economic recession, changes in interest rates, oversupply, competition from other management companies, property acquisition risks, development overruns, project completion delays, rising borrowing costs and tightening of available capital, defaults and insolvencies of major tenants, property damage, security threats, natural disasters, environmental clean-ups and liability lawsuits.

Some managers utilize leveraged mutual funds or ETFs and leveraged inverse mutual funds or ETFs (hereafter referred to as “leveraged funds”) as part of their investment strategy. Leveraged funds are investment vehicles that use debt and derivatives in order to magnify the returns of an underlying index on a daily basis. Trading in leveraged funds is designed to be a market timing or active trading strategy, are not as tax efficient as traditional ETFs/mutual funds and are not suitable as a long-term investment.

Some managers invest assets in funds that primarily invest in futures. Investing in futures involves additional risk due to the use of derivatives which are often more volatile than other investments and can magnify the fund’s gains and losses. Investors considering these types of investment should have a long-term investment horizon as funds trading futures can experience immediate and substantial loss or gain due to relatively small movements in the price of a futures contract.

#### LTAM Sponsored Programs and Symbil

See the applicable program or Symbil brochure, each of which is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### Fund Management

Each fund within the Ladenburg Funds is generally managed in the same manner as the traditional LTAM’s Managed ETF Strategies described below under Separately Managed Accounts and Allocation Consulting Services. For more information about the methods of analysis, investment strategies and risk of loss for the five funds that collectively make up the Ladenburg Funds please see the Funds’ prospectus. Prospectuses are available at [www.ladenburgfunds.com](http://www.ladenburgfunds.com) or by contacting the fund administrator toll-free at 1-877-803-6583. The prospectus should be read carefully before investing.

#### Ladenburg Total Portfolio Series (CIT)

The five strategies in this series are generally managed in the same manner as the traditional LTAM’s Managed ETF Strategies described below under Separately Managed Accounts and Allocation Consulting Services.

#### Separately Managed Accounts and Allocation Consulting Services

LTAM generally manages separate accounts and constructs its models using the following types of investment strategies:

**1. Managed Mutual Fund Strategies:** Clients may select one of five managed mutual fund strategies. These five strategies are aggressive growth, growth, growth & income, income & growth, or income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Within each strategy, there can be multiple investment styles. Each model in these strategies will consist of approximately 15 mutual funds primarily, exchange-traded funds (“ETFs”) and exchange-traded notes (“ETNs”) secondarily, which encompass the asset classes targeted for that strategy’s asset allocation. The mutual funds, ETFs and ETNs are selected for these strategies based on due diligence conducted by LTAM, which

evaluates the funds on a variety of performance measures and recommends those with the best ratings for inclusion in the managed mutual fund strategies. LTAM periodically reviews each model and removes or replaces those funds that no longer meet the qualifications necessary for inclusion in the model.

**2. Managed ETF Strategies:** Clients may select one of five managed ETF strategies. These strategies are aggressive growth, growth, growth & income, income & growth, or income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Within each strategy, there can be multiple investment styles. Each model in these strategies will consist of approximately 15 ETFs primarily and mutual funds, or ETNs secondarily (if an appropriate ETF is not available), which encompass the asset classes targeted for that strategy's asset allocation. The ETFs, mutual funds and ETNs are selected for these strategies based on due diligence conducted by LTAM. This due diligence includes an analysis of the underlying market index on which each ETF or ETN is based, as well as the expense ratio, longevity, liquidity and size of the ETF or ETN. Based on this evaluation, LTAM will recommend those ETFs and/or ETNs with the best ratings for inclusion in the managed ETF strategies. LTAM periodically reviews each model and removes or replaces those ETFs and/or ETNs that no longer meet the qualifications necessary for inclusion in the model.

**3. Tax Sensitive Strategies:** Clients may select one of five managed tax sensitive strategies. These five strategies are aggressive growth, growth, growth & income, income & growth, or income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Within each strategy, there can be multiple investment styles. Each Account in these strategies will consist of approximately 15 mutual funds, ETFs or ETNs, which encompass the asset classes targeted for that strategy's asset allocation. The mutual funds or ETFs and/or ETNs are selected for these strategies based on due diligence conducted by LTAM, which evaluates the funds on a variety of performance measures and recommends those with the best ratings and most tax sensitive investment strategy for inclusion in the managed tax sensitive strategies. LTAM periodically reviews each strategy and removes or replaces those funds that no longer meet the qualifications necessary for inclusion in the models.

**4. Specialty Strategies:** Clients may select one of the specifically focused strategies. Clients can select a specialty strategy which is designed with a combination of investment objectives, time horizon, and risk tolerance targeted to achieve a certain investment goal such as conservative income, enhanced income, international exposure, etc. Each account in these strategies will consist of approximately 15 mutual funds, ETFs, ETNs, or equities which encompass the asset classes targeted for that strategy's asset allocation. The funds are selected for these strategies based on due diligence conducted by LTAM, which evaluates the funds on a variety of performance measures and recommends those with the best ratings for inclusion in the specialty strategies. LTAM periodically reviews each model and removes or replaces those funds that no longer meet the qualifications necessary for inclusion in the model.

**5. Model Manager Strategies:** The client may also select LTAM to manage an account pursuant to a model portfolio provided by a third-party manager. For these strategies, LTAM enters into a contract with the third-party money manager under which the manager agrees to provide the model portfolio to LTAM and to provide updates to that model portfolio to LTAM on a regular basis. In these cases, the third-party manager has no responsibility to manage any client accounts and does not act as investment adviser to any specific clients. LTAM is responsible for managing the account in accordance with the model portfolio. These strategies have varying degrees of risk that depend on the specific model portfolio involved. Clients will be provided with additional information about the risk involved in a particular model portfolio if the client is interested in, and is eligible to select, that particular strategy.

**6. Ladenburg American Funds® Core Portfolios:** Clients may select one of five mutual fund strategies: These five strategies are aggressive growth, growth, growth & income, income & growth, and income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Accounts utilizing these strategies will have a target allocation of 63% American Funds mutual funds, 35% Ladenburg mutual funds and 2% in cash. LTAM will evaluate the portfolios for rebalancing back to the target allocation at least annually or based on extreme market conditions. The mutual funds that are selected for these strategies are within the universe of American Funds mutual funds and based on due diligence conducted by LTAM on a variety of performance measures. LTAM periodically reviews each strategy to remove or replace those mutual funds that no longer meet the qualifications necessary for inclusion in the strategies.

**7. Ladenburg Franklin Templeton Strategies:** Clients may select one of five mutual fund strategies. These five strategies are aggressive growth, growth, growth & income, income & growth, and income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Accounts utilizing these strategies will have a target allocation of 63% Franklin Templeton funds, 35% Ladenburg mutual funds and 2% in cash. LTAM will evaluate the portfolios for rebalancing back to the target allocation at least annually or based on extreme market conditions. The funds that are selected for these strategies are within the universe of Franklin Templeton funds and based on due diligence conducted by LTAM on a variety of performance measures. LTAM periodically reviews each strategy to remove or replace those funds that no longer meet the qualifications necessary for inclusion in the strategies.

**8. Socially Responsible Strategies:** Clients may select one of five managed socially responsible strategies. These five strategies are aggressive growth, growth, growth & income, income & growth, or income. Each strategy is designed to be consistent with a certain combination of investment objectives, time horizon, and risk tolerance. Within each strategy, there can be multiple investment styles. Each model in these strategies will consist of a combination of ETFs and Mutual Funds which are “socially conscious” per Morningstar Direct. The ETFs and mutual funds are selected for these strategies based on due diligence conducted by LTAM. The due diligence on ETFs includes an analysis of the underlying market index on which each ETF is based, as well as the expense ratio, longevity, liquidity and size of the ETF. The due diligence on mutual funds includes a variety of performance measures and recommends those with the best ratings for inclusion in the SRI strategies. LTAM periodically reviews each strategy and removes or replaces those ETFs or mutual funds that no longer meet the qualifications necessary for inclusion in the strategies.

For more information about how we manage affiliated investments (see *Conflicts of Interest* below).

LTAM employs a regimen of quantitative and qualitative investment criteria which allows it to analyze potential funds and select funds for inclusion in the strategies.

Below are some of the criteria utilized in selecting funds for the inclusion in the strategies:

- Top quartile of performance within its peer group
- Positive alpha, which indicates a funds relative performance to the risk being taken by the portfolio manager
- Perform well in bear markets
- Lead portfolio manager has a minimum of 5 years as head portfolio manager of fund
- Have a portfolio composition that is consistent with its corresponding asset class

The third-party investment adviser sponsoring the program can require that LTAM select funds for accounts from a specified universe of funds. For example, some sponsors request that LTAM select funds with a class of shares that can be purchased with no transaction fee charged by the broker-dealer or custodian (“NTF fund shares”).

## Item 9 - Disciplinary Information

On August 25, 2016, pursuant to an offer of settlement by LTAM and as part of an enforcement sweep of 13 investment advisers, the SEC entered an order against LTAM (the "Order") making findings -- which LTAM neither admitted nor denied -- and imposing sanctions consisting of a cease-and-desist order and a civil money penalty. The Order indicates that LTAM violated Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and rule 206(4)-1(a)(5) thereunder by incorporating into certain advertisements for the Alpha Sector strategies offered through an LTAM wrap-fee program some inaccurate performance information provided by F-Squared Investments, Inc. ("F-Squared"), without having a reasonable basis to conclude that the information was true. The Order also indicates that LTAM violated the Advisers Act's recordkeeping provisions by failing to maintain records to substantiate the advertised performance information supplied by F-Squared. The Order acknowledges that LTAM's wrap-fee brochure disclosed that LTAM did not verify performance information supplied by third-party managers used in the wrap-fee program.

For more information about any disciplinary events that are material to an evaluation of Triad Advisors, LLC, Triad Hybrid Solutions, LLC, Securities America Advisors, LLC, or Arbor Point Advisors, LLC, or a separately registered adviser, please see their disclosure brochure.

## Item 10 - Other Financial Industry Activities and Affiliations

Ladenburg Thalmann Asset Management Inc. ("LTAM") is an investment advisory firm and has been in business since October 29<sup>th</sup>, 1982, LTAM is a wholly owned subsidiary of Advisor Group Holdings, Inc. ("AGHI"). AGHI is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P. an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

AGHI owns 100% of both LTAM and LTCO, a registered broker-dealer. As explained in the Fees and Compensation section above, LTCO can execute trades on behalf of clients who receive advisory services from LTAM. LTCO receives compensation for these brokerage services, which it shares with LTAM financial advisers who are also registered broker-dealer representatives of LTCO.

### *Other Industry Affiliates*

LTAM has the following affiliates, which are wholly owned subsidiaries of AGHI.

Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by AGHI
Triad Advisors, LLC	100% owned by AGHI
Triad Hybrid Solutions, LLC	100% owned by AGHI
Premier Trust, Inc.	100% owned by AGHI
Securities America Financial Corporation (SAFC)	100% owned by AGHI
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
Arbor Point Advisors, LLC	Majority owner SAFC
Highland Capital Brokerage Insurance Company	100% owned by AGHI

LTAM has Related Persons, who are under common control of LTAM's parent company, AGHI. However, these related persons are not wholly owned subsidiaries of AGHI.

Black Diamond Financial, LLC.	100% owned by Black Diamond Financial Holdings, LLC
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LTAM also has Related Persons, who are under common control of LTAM's parent company, AGHI. The following chart details the Related Persons, which are wholly owned subsidiaries of Advisor Group, Inc. (AGI), which is a wholly owned subsidiary of AGHI.

Advisor Group, Inc. (AGI)	100% owned by AGHI
Royal Alliance Associates, Inc. (RAA)	100% owned by AGI
Financial Service Corporation (FS Corp)	100% owned by AGI
FSC Securities, Corporation (FSC)	100% owned by FS Corp
SagePoint Financial Inc (SPF)	100% owned by AGI
Woodbury Financial Services, Inc (WFS)	100% owned by AGI
Vision2020 Wealth Management Corp.	100% owned by AGI

Some of our business operations involve directing clients to products or services of our Related Persons. In that case we or our Related Persons can receive compensation when doing so which results in a conflict of interest. Your Advisory Representative, however, does not receive a portion of the compensation paid to us or our Related Persons and therefore does not have a conflict of interest in recommending the use of one of our affiliated companies. As a result of the fact that your Advisory Representative is not compensated for directing you to products or services offered by our Related Persons, we believe that the Firm's conflict of interest is mitigated.

Certain principal executive officers of LTAM can be employees, officers, or directors of affiliates listed above. These permitted additional responsibilities could be viewed as creating a conflict of interest in that the time and effort of the directors, officers, principals and employees of LTAM because they will not be devoted exclusively to the business of LTAM and can have conflicts of interest due to their loyalties to the different entities.

Certain of LTAM's principal executive officers, members of the LTAM investment committee and other individuals who determine investment advice given to clients can be registered representatives of LTCO.

Certain LTAM programs are also available to clients of Triad Advisors, LLC, Securities America Advisors, Inc., Arbor Point Advisors, LLC, Triad Hybrid Solutions, LLC, or Premier Trust. LTAM performs investment management, due diligence, sales support and/or other operational services for a portion of the fees paid by the client.

LTAM financial advisers can recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

LTAM financial advisers can recommend that clients invest in the Ladenburg Funds for which LTAM acts as investment adviser, and LTCO acts as distributor. Transactions for the funds are generally executed through LTCO. For more information see the prospectus. These recommendations create a conflict of interest because LTAM and LTCO generally receive more compensation in connection with the purchase of these investments than they do in connection with the purchase of other investments. In addition, these funds pay fees in connection with services or distribution, such as 12b-1 fees. These fees are paid to LTCO as broker-dealer.

As explained above, LTCO acts as a dealer with respect to certain securities, and as such, can execute transactions for LTAM clients as principal. As a dealer, LTCO can receive a "mark-up," "mark-down," and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to LTAM and its affiliates. Thus, LTAM has a conflict of interest in recommending or deciding to execute trades through LTCO on a principal basis. LTAM addresses this conflict of interest in the following ways. After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, LTAM has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

LTAM can also recommend that clients invest in securities issued in an initial public and/or secondary offerings (“new issues”) for which LTCO acts as a manager, underwriter and/or a member of the selling group. LTAM has a conflict of interest in recommending these securities for several reasons. First, LTCO receives all or a portion of the gross spread – the difference between the price that the client pays for the security and the price that LTCO purchases the security for -- in connection with such sales. This gross spread is generally 7% but can be higher or lower in connection with certain offerings. LTAM financial advisers generally receive a portion of this compensation as broker-dealer representatives of LTCO. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of its affiliation with LTCO, LTAM has incentives to recommend these investments in these offerings for these reasons, rather than based on a client’s needs. To address these conflicts, LTAM has policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client’s investment objectives and assets. In addition, clients are generally given transaction specific disclosure prior to the client’s decision to invest in such securities. Securities acquired in initial public and secondary offerings may be oversubscribed and LTAM has policies and procedures in place for the allocation process.

Please also note that LTAM compensates its financial advisers for the costs of marketing, distribution, business and client development and educational enhancement incurred by the financial adviser for the promotion of LTAM’s services. This compensation may be based on assets under management or otherwise advised.

### ***Payments from Third Parties***

In addition to the various types of compensation LTAM’s affiliates may earn from clients in connection with effectuating the investment advice LTAM renders to clients, these affiliates can also receive payments from third parties in connection with services rendered to LTAM’s clients.

For example, LTCO and other affiliated broker-dealers can receive distribution or service (“trail”) fees from the sale of certain unaffiliated mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services. These fees are distributed from the fund’s total assets. LTCO can pay a portion of the distribution fees it earns to LTAM’s financial advisers in their capacity as broker-dealer representatives of LTCO. For certain accounts custodied at NFS, LTCO credits 12b-1 fees received for LTAM financial advisers back to the client accounts. LTAM’s affiliated broker-dealers can also participate in revenue-sharing arrangements based on fees paid by mutual funds to participate in No-Transaction-Fee (“NTF”) platforms made available by custodians.

In addition, LTCO and other affiliated broker-dealers typically receive compensation in connection with cash held in brokerage accounts at NFS and Pershing. For most accounts, the Bank Deposit Sweep Program (the “BDSP”) is the only vehicle available for cash balances (from deposits to the account, securities transactions, dividend and interest payments and other activities) in the account. LTCO and other affiliated broker-dealers receive a fee in connection with the BDSP based on the value of the cash in the program. This fee reduces the amount of interest that clients receive in connection with cash held in their accounts. The financial adviser does not receive any portion of the BDSP fee received by LTCO and other affiliated broker-dealers. The Insured Cash Account Program (the “ICAP”) is the core account investment vehicle offered for eligible advisory IRA accounts. Each month for any advisory IRA using the Insured Cash Account Program as the core account investment vehicle, a level administrative fee applies for the administrative services performed in operating the ICAP Cash Account Program Disclosure Document. We cannot earn income in excess of the stated level account fee. The aggregate interest generated by banks participating in the ICAP is used to pay the level account fee for each individual client and to pay any third-party vendor fees. All interest left over after these payments is then credited to client accounts in the Insured Cash Account Program. The fees that LTCO and other affiliated broker-dealers receive in connection with the client assets participating in the BDSP and ICAP are in addition to the management fee that LTAM receives in connection with such assets pursuant to the client’s advisory contract. A detailed explanation of the method for calculating interest and fees is available in the BDSP and ICAP Disclosure Documents.

For LTCO, this information can be found at [www.advisorgroup.com/disclosures/cash-sweep-ladenburg](http://www.advisorgroup.com/disclosures/cash-sweep-ladenburg). For our other affiliated broker-dealers, this information can be found at our Parent Company's website: [advisorgroup.com/our-firms](http://advisorgroup.com/our-firms) or available on request.

LTAM's affiliates can also receive payments called "revenue sharing payments" and/or "marketing allowances" from certain product sponsors ("Strategic Partners") including mutual funds, insurance companies, and Non-Traded products such as Real Estate Investment Trusts ("REITS"). These payments are not shared with LTAM's financial advisers. For more detailed information about the products in the Strategic Partners program, you may request the complete disclosure document from your financial adviser.

Qualified custodians are another source of revenue to LTAM's affiliated broker-dealers. Specifically, NFS and Pershing provide significant compensation to our affiliated broker-dealers in their capacity as introducing broker/dealer to offset its general operating expenses based on the number of accounts and/or account assets held by our affiliated broker dealers. The specific terms of this compensation differ between NFS and Pershing.

Certain custodian fees may apply to your brokerage accounts. In some instances, the affiliated broker-dealers pays a portion of the fee charged. In other instances, the affiliated broker-dealers apply a markup to these fees. In this regard, LTAM's affiliates broker-dealers can receive revenue based upon client activity, as well as the amount of assets custodied with these firms. The types of revenue include, but are not limited to, margin interest charges, IRA fees, inactivity fees, 12b-1 trails and other fees set forth in the custodian's Schedule of Client Fees and Charges.

Our affiliated broker-dealers exercise no discretion, nor provide any advice or recommendation in the selection of the Custodian for any specific account or client. As a result, any difference in compensation to our affiliated broker-dealers is based solely on the contracts with the Custodians and your Advisory Representative's election of a Custodian. Secondly, Advisory Representatives do not share in any compensation paid by the custodians to our affiliated broker-dealers. As a result, Advisory Representatives have no financial conflict of interest in any recommendation of a Custodian to clients.

For more information regarding custodial fees and the above forms of compensation, please see the Disclosures section of the respective affiliated broker-dealer at our Parent Company's website: [www.advisorgroup.com/our-firms](http://www.advisorgroup.com/our-firms) for the Pershing and NFS Schedule of Client Fees and Charges.

### ***Conflicts of Interest***

The various compensation arrangements discussed in this section of the Brochure present conflicts of interest for LTAM, because they incentivize the firm and its financial advisers to select or recommend products that provide such payments. To mitigate these conflicts, LTAM prohibits its financial advisers and other supervised persons from selecting or recommending any product based solely on payments that LTAM, its employees or its affiliates can receive in connection with the promotion of that product. Instead, LTAM requires financial advisers and other supervised persons to advise and make recommendations in clients' best interests, taking into account clients' needs, investment objectives and risk tolerances. LTAM offers a number of investment advisory programs that may include the Ladenburg Funds, a series of mutual funds that are managed by LTAM. Since LTAM receives an internal management fee from the funds, a potential conflict of interest exists.

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

LTAM has adopted a Code of Ethics for all supervised persons of LTAM, describing its high standards of business conduct, and fiduciary duty to clients. All supervised persons at LTAM must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended. The Code of Ethics sets forth detailed policies and procedures regarding the personal trading of its personnel. The Code of Ethics also contains policies and procedures to prevent the misuse of material, non-public information by LTAM's officers and employees. A copy of LTAM's Code of Ethics can be obtained by

writing to: Ladenburg Thalmann Asset Management Inc., 640 Fifth Avenue, 4th Floor, New York, NY 10019.

LTAM personnel are required to conduct their personal investment activities in a manner that is not detrimental to its advisory clients. LTAM personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics.

LTAM may give advice, take action, or hold or deal in securities for some clients or accounts, including LTAM's own accounts, which differs or may be similar at times from the advice it gives, action it takes, or securities it holds or deals for other clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of LTAM will: (a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (b) at all times place the interests of clients first while, at the same time, allowing employees to invest for their own accounts; (c) disclose all actual and potential conflicts; (d) adhere to the highest standards of loyalty, candor and care in all matters relating to clients; (e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (f) not use any material non-public information in securities trading.

The Code of Ethics also establishes policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of LTAM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. These pre-clearance requirements and the exceptions are defined in the Code of Ethics. LTAM and its employees cannot enter orders for accounts in which they have a beneficial ownership interest to benefit from their knowledge of clients' orders in a particular security ("front-running"). LTAM defaults to LTCO's front running and personal trading policies as the affiliate broker dealer. In addition to those requirements, LTAM Access Persons will not be approved to trade in securities that are ETFs and/or Mutual Funds that are held in LTAM's discretionary portfolios within 5 days of a rebalance by LTAM. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between LTAM and its clients.

Certain clients also can maintain accounts at LTCO for which LTAM does not act in an advisory capacity. In providing execution services to these accounts separate and apart from the client's advisory accounts, LTCO can enter into transactions as principal. These activities are separate and apart from LTAM's advisory services.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's code of business conduct or code of ethics, a state or federal law, regulation of the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which can result in a disclosure of the violation on the employee's U-4 form, if required.

## Item 12 - Brokerage Practices

### Consulting Services

As described in "Fees and Compensation" above, LTAM can recommend that clients receiving consulting services execute transactions through LTCO as broker-dealer. If the client elects to execute transactions through LTCO, the compensation paid by the client is negotiated separately with LTCO as part of a separate

brokerage relationship between the client and LTCO.

LTAM does not receive research or other products or services other than execution from LTCO as broker-dealer. LTAM does not generally receive research or other products or services other than execution from any non-affiliated broker-dealer or third party in connection with client securities transactions, otherwise known as “soft dollars benefits.” Assets on which LTAM provides consulting services are generally not aggregated by LTAM in connection with these services.

#### Fund Management

With respect to the funds it manages, LTAM generally aggregates orders for accounts in the program that are being managed in accordance with the same investment strategy. LTAM does not aggregate orders for the funds with the orders of other managed account programs. LTAM employs a trade rotation policy for trading its managed accounts and the Ladenburg Funds. LTAM also does not aggregate fund management orders because, orders are typically single orders or block trades.

#### Separately Managed Accounts and Asset Allocation

For separately managed accounts, LTAM will execute transactions as directed by the client or third-party investment adviser. For asset allocation services, LTAM has no role in the execution of transitions. Because LTAM permits clients and investment advisers to direct brokerage, LTAM may be unable to achieve most favorable execution of client transactions. Directing brokerage may cost clients more money than if LTAM has selected the broker-dealer. LTAM may not be able to aggregate orders with other clients to reduce transaction costs or the client may receive less favorable prices.

#### LTAM Sponsored Programs

In certain cases, LTAM or another investment adviser providing consulting services in connection with the LAMP or ICS program can recommend/require that clients establish brokerage accounts to maintain custody of clients’ assets and to effect trades for their accounts with a brokers-dealer that is not affiliated with the financial adviser or LTAM (“Unaffiliated Broker”). The Unaffiliated Broker will be named in the program agreement. The final decision to select an Unaffiliated Broker is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. The Unaffiliated Broker may provide the investment adviser or LTAM with access to its institutional trading and customer services, which may not be available to retail investors. These services are generally available to independent advisers on an unsolicited basis; however, certain Unaffiliated Brokers only provide the services at no charge as long as a designated amount of the adviser’s clients’ assets are maintained in accounts with the Unaffiliated Broker. For example, the Schwab Advisor Services division of Charles Schwab & Co., Inc. (“Schwab”) provides certain services at no charge to advisers as long as a total of at least \$10 million of the adviser’s clients’ assets are maintained in accounts at Schwab. This can create a conflict of interest as the investment adviser may have an incentive to recommend Schwab or another Unaffiliated Broker over other broker-dealers. The services that may be provided by the Unaffiliated Brokers include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analysis and reports, and access to mutual funds and other investments that may be otherwise generally available only to institutional investors or would require a significantly higher minimum investment.

Unaffiliated Brokers can make available other products and services that benefit the investment adviser but may not benefit the clients’ accounts. These benefits can include national, regional or LTAM/investment adviser specific educational events organized or sponsored by the Unaffiliated Broker. Other potential benefits can include occasional business entertainment, software, research, support functions, and or professional services provided by the Unaffiliated Broker. Thus, an investment adviser’s recommendation/requirement that clients maintain their assets in accounts at a particular Unaffiliated Broker can be based in part on the benefit the investment adviser and of the availability of certain products and services provided by the Unaffiliated Broker and not solely on the nature, cost or quality of custody and brokerage services provided by the Unaffiliated Broker, which can create a potential conflict of interest.

## Item 13 – Review of Accounts

LTAM reviews the consulting services as warranted based on the services provided. This review is performed by the LTAM financial adviser and/or a supervisor.

LTAM may provide clients receiving consulting services with a quarterly performance review of the client's assets identified in the consulting services agreement. Clients who receive these reports direct the custodian(s) of the assets to provide LTAM with any information necessary to provide these performance reviews. Clients may also provide information to LTAM themselves or direct other third parties to give information to LTAM. LTAM does not include information in a review if it does not receive it on a timely basis. If LTAM does not receive information about the original cost of a security, the market value of the security on a date set by LTAM can be used in lieu of original cost in certain circumstances. LTAM does not independently verify information provided by a custodian, client or other third party, nor does LTAM guarantee the accuracy or validity of such information. LTAM is not liable in connection with its use of any information provided by a client, a custodian, or other third-party in the quarterly performance reviews.

LTAM generally reviews allocation models at least quarterly. These reviews are generally performed by LTAM's Investment Committee.

LTAM generally reviews the fund management services daily, weekly, monthly, quarterly and annually. Portfolio monitoring is performed by LTAM's analysts and Portfolio Management Team of the Ladenburg Funds. We use performance and risk analysis data to evaluate each holding and the portfolio composite as a whole. In addition, monthly compliance monitoring is performed by fund administrator and LTAM Compliance Officer. Quarterly and annually, there are certifications to the Funds' independent Board of Directors.

The financial adviser recommending LTAM separate account management services is primarily responsible for reviewing the investment strategy selected by the client on an on-going basis to ensure that it continues to be suitable for the client, taking into account any changes to the information provided by the client. LTAM generally reviews separately managed accounts at least quarterly. These reviews are performed by LTAM's Investment Committee and Chief Compliance Officer.

LTAM or the investment adviser may provide clients with quarterly performance reviews of LAMP accounts. Nothing in the performance review should be construed as advice concerning any tax matter. Performance reviews are not a substitute for regular monthly account statements received from the custodian or Form 1099. Performance reviews should not be used to calculate fees or to complete income tax returns.

## Item 14 - Client Referrals and Other Compensation

LTAM may enter into agreements with third parties that will solicit clients for LTAM and receive compensation for solicitation efforts. In such instances, the third-party solicitor will receive either a percentage of, or a set fee from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be disclosed to the client. This disclosure will be acknowledged by the client when participating in a LTAM program. The fee charged to a client is not affected by the use of a third-party solicitor in connection with client accounts, and a client will not be charged any additional fees for the use of such services.

## Item 15 - Custody

LTAM does not take custody of any client assets. However, as set forth in Item 5 of this brochure, certain clients have the option of authorizing LTAM to debit advisory fees from their custodial account. All client assets are held by an independent qualified custodian, which can be a broker-dealer, bank or trust company. Clients will receive account statements from the broker-dealer, bank or other qualified custodian holding the clients' assets at least on a quarterly basis. Clients should carefully review those statements. Clients

who also receive account reviews from LTAM should compare them to the account statements they receive from the qualified custodian. The account statements received from the qualified custodian are the official statement of clients' accounts. Any account information provided by LTAM is for informational purposes only. LTAM may have standing letters of authorization granting it first-party asset movement authority on its clients' accounts at certain of LTAM's qualified custodians. LTAM provides the qualifying Custodian the client's authorization in writing. The qualifying Custodian has a record that the client has identified the accounts for which the transfer is being effected as belonging to the client (both sending and receiving accounts). LTAM's authority to transfer client assets between clients' accounts at the same qualified custodian or between another independent qualified custodian, (which may be a broker-dealer, bank or trust company) in which both have access to the sending and receiving account numbers and client account name(s) are deemed to be first party asset movement and does not constitute custody.

#### Item 16 – Investment Discretion

LTAM has discretionary authority to manage the Ladenburg Funds. LTAM does not have discretionary authority under the consulting services or allocation consulting services described in this brochure. LTAM has discretionary authority to manage separately managed accounts. Client grants LTAM this authority in the LTAM agreement or in the agreement that the client signs to participate in a program sponsored by a third-party adviser in which LTAM acts as a portfolio manager. LTAM can also have discretion in certain LTAM sponsored programs, as described in the applicable program brochure and client agreement. Additionally, for 3(38) clients and for purposes of carrying out services, as described in the 3(38) Manager Program Client Agreement, LTAM shall have discretionary power, authority and responsibility to select, add, remove or replace investment options.

#### Item 17 – Voting Client Securities

With respect to the Ladenburg Funds, LTAM will vote proxies for securities in the accounts in accordance with LTAM's policies and procedures regarding proxy voting. These proxy voting policies and procedures contain guidelines that LTAM follows in order to minimize conflicts of interest and to ensure that it votes proxies in a manner consistent with the best interests of its clients. A copy of these policies and procedures is available upon request. Further, investors in the fund can obtain information from LTAM on how their proxies were voted by submitting a written request to LTAM.

With respect to LTAM separately managed accounts, the designation for voting of proxies for securities will be defined in the respective LTAM client agreement, under the section "Proxies". If LTAM is delegated to vote proxies for securities in the accounts, (as per the respective LTAM client agreement) it will do so, in accordance with LTAM's policies and procedures regarding proxy voting. This delegation to LTAM can be revoked at any time by written notice to LTAM. The proxy voting policies and procedures contain guidelines that LTAM follows in order to minimize conflicts of interest and to ensure that it votes proxies in a manner consistent with the best interests of its clients. A copy of these policies and procedures is available upon request. Further, clients can obtain information from LTAM on how their proxies were voted by submitting a written request to LTAM.

#### Item 18 – Financial Information

LTAM does not require prepayment of advisory fees six months or more in advance. LTAM has never been the subject of a bankruptcy petition

## Ladenburg Thalmann Asset Management (“Ladenburg”) - Privacy Notice

FACTS	What does Ladenburg Thalmann Asset Management Inc. do with your personal information?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or services you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security Number, Date of Birth, and Income</li> <li>▪ Assets and Investment Experience</li> <li>▪ Employment Information and Tax Reporting</li> <li>▪ Account Transactions and Retirement Assets</li> <li>▪ Investment Performance Information</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Ladenburg, chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Ladenburg share?	Can you limit this sharing?
<p><b>For our everyday business purposes</b> – to administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information with companies affiliated with Ladenburg and to certain nonaffiliated companies. We may share your personal information:</p> <p>To process your transactions, maintain your account, respond to court orders and legal investigations, respond to regulatory requests, or report to credit bureaus or government entities with parent and Affiliate companies of Ladenburg, Inc. including but not limited to:</p> <ul style="list-style-type: none"> <li>• Ladenburg Thalmann &amp; Co. (LTCO)</li> <li>• Advisor Group, Inc. and its affiliated companies with nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, clearing broker-dealers, investment companies, and insurance companies) with third -party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting).</li> </ul>	Yes	No
<p><b>For our marketing purposes</b> – to offer our products and services to you</p>	Yes	No
<p><b>For joint marketing with other financial companies-</b> Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial professional is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.</p>	Yes	No

<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	No	We do not share
<p><b>For customers of Ladenburg and LTCO</b></p> <ul style="list-style-type: none"> <li>▪ If your financial professional terminates his or her relationship with us and moves to a New Firm, we or your financial professional may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial professional to disclose your personal information to the New Firm when your financial professional terminates his or her relationship with us, you may request that we and your financial professional limit the information that is shared with the New Firm.</li> <li>▪ Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial professional, such as an independent insurance agency, accounting firm or independent investment advisory firm.</li> <li>▪ In the event your financial professional (or his/her estate) agrees with an unaffiliated financial professional or unaffiliated brokerage or investment advisory firm to sell all or some portion of his/her securities, advisory or insurance business, your personal information may be shared with the acquiring financial professional and/or the New Firm.</li> </ul> <p>If you live in Alaska, California, Massachusetts, Maine, North Dakota or Vermont, under certain circumstances, we are required as a financial institution to obtain your affirmative consent to share your personal information with a Nonaffiliate. If you live in any state other than those listed, under certain circumstances, you may opt-out of Ladenburg sharing your Personal Information with a Nonaffiliate. If you opt-out you will continue to receive annual privacy notices as required by the SEC. However, you do not need to respond to maintain a previous opt-out designation. Please refer to the “To Limit Our Sharing” section for ways to opt-out.</p>	Yes	Yes

Who We Are	
Who is providing This Notice?	Ladenburg and its Affiliates (collectively Ladenburg Thalmann). Our Affiliates covered under this privacy notice include the following entities: <ul style="list-style-type: none"> <li>▪ Ladenburg Thalmann Asset Management (LTAM)</li> <li>▪ Advisor Group, Inc. And its affiliated companies</li> </ul>
What We Do	
How does Ladenburg Thalmann Asset Management protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  We train our employees in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.

<p>How Does Ladenburg Thalmann Asset Management collect my personal information?</p>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ Open an account or apply for insurance;</li> <li>▪ Seek advice about your investments;</li> <li>▪ Enter into an investment advisory relationship;</li> <li>▪ Provide account information or</li> <li>▪ Make deposits or withdrawals from your account.</li> </ul> <p>We also collect personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ Affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<p><b>Other Important Information</b></p>	
<p>Use and Disclosure of health information:</p>	<p>To the extent you provide health information to Ladenburg for the purpose of applying for insurance products, such information will not be disclosed to nonaffiliated companies for any purpose, except:</p> <ul style="list-style-type: none"> <li>▪ to underwrite or administer your insurance policy or related claims</li> <li>▪ as required by law</li> <li>▪ as authorized by you</li> </ul>
<p>To limit our sharing</p>	<p>You may limit the sharing of your personal information ("Opt-Out") by calling 1-800-215-1570 if you received this privacy notice by regular mail.</p> <p><b>Please note:</b> When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p> <p>In the event you decide to Opt-Out, your decision will be recorded as limiting the sharing of personal information for all applicable options. In other words, if you Opt-Out your personal information will not be shared by Ladenburg or an Affiliate: (i) with your financial professional's new broker-dealer in the event he or she leaves Ladenburg or an Affiliate and joins a New Firm or sells his/her securities, advisory or insurance business to a nonaffiliated company; (ii) with affiliated entities of your financial professional or any bank or credit union that your financial professional is affiliated with; and (iii) with Affiliates of Ladenburg that you do not already have an existing relationship with for the purpose of marketing products or services to you.</p>
<p>Questions?</p>	<p>Go to <a href="http://www.ltam.com/contact.html">www.ltam.com/contact.html</a></p>

This Privacy Notice applies to products and services used primarily for personal, family, trusts, corporation or entity and ERISA account purposes. We reserve the right to change this Privacy Notice, and any of the practices described within this policy, at any time. Ladenburg Thalmann Asset Management Inc., a SEC registered investment adviser. 03/2022