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ESI Financial Advisors

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Form ADV Part 2A

June 19, 2025

This Brochure provides information about the qualifications and business practices of Equity Services, Inc., doing business as ESI Financial Advisors. If you have any questions about the contents of this Brochure, please contact us at 1-800-344-7437 or ESICompliance@nationallife.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 ESI Financial Advisors also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with ESI Financial Advisors who are registered as investment adviser representatives of ESI Financial Advisors.

ESI Financial Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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Item 2 – Material Changes

ESI Financial Advisors has not made any material changes to this Brochure since its last annual filing on March 28, 2025.

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Item 4 – Advisory Business

Equity Services, Inc. ("ESI") is a registered broker/dealer, as well as a federally registered investment adviser, doing business as ESI Financial Advisors ("EFA" or "the Firm"). ESI was founded in 1968 as an affiliate of National Life Insurance Company ("National Life"), which began doing business in 1848. NLV Financial Corporation is the sole shareholder of ESI, and the National Life Group companies, which includes National Life and Life Insurance Company of the Southwest ("LSW"). EFA provides financial planning/consulting services and asset management services to individuals, corporations, trusts, estates, charitable organizations, and retirement plans including pension and profit-sharing plans. EFA has been registered with the SEC since 1992. As of 12/31/2024, the Firm managed approximately $1.9 billion in non-discretionary assets and approximately $527 million in discretionary assets across its advisory programs.

Before investing in an advisory program, clients should decide if they are comfortable delegating the day-to-day management of their account(s). Investors in advisory programs typically:

- Desire advice and guidance when making investment decisions;
- When working with a discretionary manager, are at ease with a financial professional making their day-to-day investment decisions;
- Are willing to follow a disciplined investment strategy;
- Are comfortable paying quarterly, asset-based (percentage) fees for investments and advice rather than individual commissions or sales charges.

EFA offers a variety of advisory programs, many of which engage the services of third-party asset managers ("TPAM") with discretionary trading authority, and some in which the client is required to authorize some or all trading activity in their account. **Clients should ensure they understand the nature of their advisory agreement with EFA and any other TPAM they engage to provide asset management and/or financial planning services.**

Financial planning and consulting services are available through EFA and its network of Investment Adviser Representatives ("advisory representatives" or "IAR"). Advisory representatives can offer financial planning services whereby the client receives a financial or investment plan, or similar service, for a fee. Services will generally include a written financial plan addressing the topics agreed upon in the planning agreement. Depending on their needs, clients have the option to select either a full financial analysis or an analysis of a specific financial area. In any event, the analysis will contain generic recommendations for the client and will not include specific product recommendations. Advisory representatives also offer financial consulting services under a separate consulting agreement.

EFA makes asset management services available to its clients. These programs can be managed by multiple third-party investment advisers, or by the advisory representatives and the client.

EFA acts as the adviser or co-adviser on certain of its advisory program offerings, specifically:

- ESI Illuminations
- American Funds Retirement Plan Solutions
- AssetMark (advisor model)
- Saratoga Advantage Trust
- Schwab Retirement Advisor Services
- SEI Investments

Third-party asset managers (called “Strategists” on the Envestnet platform, and those that manage other programs described below) can, and often do, use proprietary funds in their model portfolios. Clients should refer to the appropriate third-party manager’s Form ADV Part 2A disclosure brochure for additional information on fund and share class selection specific to their selected model portfolio.

Within its ESI Illuminations Flagship Select and ESI Directions programs, clients instruct EFA to exercise discretion (as described under Item 16 of this Brochure) to rebalance accounts when the performance of various account holdings causes or has the potential to cause the account to vary outside the acceptable risk range tolerance for the client’s chosen investment objective.

ESI Compass permits EFA and its representatives to exercise discretionary trading authority in determining which securities to buy and/or sell in conjunction with model portfolio management.

EFA’s asset management programs are intended to meet an individual’s needs and goals based on an analysis of the client’s liquidity, time frame, and income and tax bracket, as well as an evaluation of the client’s risk tolerance and investment objective. The client’s advisory representative will seek to review and update this information at least annually, or at the client’s request. EFA asset management programs use different investment vehicles to meet a client’s needs and goals. Depending on the program selected, the following types of investments are used:

Exchange-listed securities	U.S. government securities	Over-the-counter securities
Corporate debt securities	Certificates of deposit	Interests in partnerships
Municipal securities	Options	(real estate, oil and gas
Mutual fund shares	Cash equivalents	interests, equipment leasing)
Interval fund shares		

Recommended investment strategies are primarily long-term strategies. However, based on the client’s needs and goals, short-term strategies and trading may be suitable, as well as margin transactions or option writing (including covered options, uncovered options, or spreading strategies). Clients have the ability to impose restrictions on investing in certain securities or types of securities, subject to the discretionary manager’s ability to comply with the request.

EFA offers investment advisory services through the following asset management programs:

ESI Illuminations
Working with Envestnet|PMC, Inc. (“Envestnet”), EFA has developed a customized investment management platform called ESI Illuminations. The following Envestnet asset management programs are available on the ESI Illuminations Platform: Third-Party Strategist, Advisor as Portfolio Manager, Multi-Manager Accounts, Unified Managed Accounts, and Separately Managed Accounts. Clients complete a profile questionnaire which assists in determining which of up to fourteen possible investment models is appropriate based on indicated objectives, risk tolerance, and overall financial goals. Based on this information, an investment strategy is developed and documented.

Investment recommendations in the ESI Illuminations program include mutual funds from which ESI (acting in its capacity as broker/dealer) receives compensation through revenue sharing arrangements. Not all mutual funds on the platform provide the Firm with such additional revenue. Funds that do not pay the Firm additional revenue, and which provide similar market exposure as those that do, are available. Third-party asset managers are responsible for selecting the various funds and share classes in which clients' assets are invested, based on the funds available for each model portfolio. Clients have the ability to inquire whether or not cheaper funds and/or share classes are available for any given portfolio.

EFA and its advisory representatives do not have authority to implement investment transactions on a discretionary basis, except as noted in Item 16 of this brochure. Unless Envestnet, a third-party Strategist, other separate account managers, or the advisory representative have been given discretionary authority by the client, all transactions must be expressly approved by the client.

Custody of client assets is maintained by National Financial Services, LLC ("NFS") with accounts registered in the client's name. A copy of this Brochure[1] and of Envestnet's Form ADV Part 2A is given to ESI Illuminations clients. In addition, clients choosing a third-party manager on the ESI Illuminations platform will receive a Form ADV Part 2A for the chosen manager.

Clients have the ability to place reasonable restrictions on the investments within the ESI Illuminations programs. This also includes the ability to place restrictions on the investments purchased through separate account manager(s). Contact your advisory representative for assistance with facilitating these restrictions.

ESI Illuminations - <u>Third-Party Strategist Programs</u>
In the Third-Party Strategist program offered by Envestnet, EFA selects various asset management firms ("Strategists") to offer actively managed portfolios, comprised of mutual funds or exchange-traded funds. These Strategists manage the accounts on a discretionary basis. Envestnet manages the programs pursuant to trade and rebalancing instructions provided by the Strategist. Each Strategist establishes their own minimum investment requirement(s), but reserves the right to, at their discretion, permit initial investments below the stated minimum.

ESI Illuminations - <u>Advisor as Portfolio Manager</u>
The Advisor as Portfolio Manager programs are branded Flagship Select, ESI Directions, and ESI Compass. These programs offer access to portfolios comprised of securities recommended to clients by the advisor, acting as the portfolio manager, using the tools and technology available from Envestnet. For discretionary accounts (described in Item 16 of this Brochure), model portfolios are constructed and managed by EFA and its advisory representatives in accordance with the client's Advisory Agreement. For non-discretionary accounts, the client must provide consent, prior to execution, for any transactions in their account. EFA reserves the right to waive minimum investment requirements for accounts in the Envestnet/PMC-managed programs.

<u>Flagship Select</u> is an asset allocation program where the advisory representative can recommend appropriate mutual funds, exchange-traded funds ("ETFs"), interval funds and/or money market funds to build the portfolios, and the client may choose to purchase the recommended securities. The program generally includes no-load, load-waived, and no transaction fee ("NTF") funds (for additional information regarding NTF funds, see "*Fees and Expenses: NTF vs Non-NTF Funds*" below). The program also includes load mutual funds (for example, transfers of existing positions into the program). Minimum investment: $50,000.

<u>ESI Directions</u> is an asset management program where the advisory representative works with the client to select securities that are appropriate for the client's investment model. Envestnet provides system tools which are used to analyze the information obtained through a client profile questionnaire and recommends an appropriate asset allocation model based on indicated

[1] Clients in ESI's wrap fee programs receive the version of ESI's *ADV Part 2A-Appendix 1* that corresponds to their selected program.

objectives, risk tolerance and overall financial goals. Based on this information, the advisory representative and client select the appropriate securities for the account including, but not limited to: stocks, bonds, mutual funds, interval funds, options, ETFs, unit investment trusts ("UITs"), certificates of deposit, structured products, and/or cash equivalents. Minimum investment: $50,000.

ESI Compass is an asset management program where the client grants the advisory representative discretionary trading authority to select securities that are appropriate for the client's investment model. Envestnet provides system tools which are used to analyze the information obtained through a client profile questionnaire and recommends an appropriate asset allocation model based on indicated objectives, risk tolerance and overall financial goals. Based on this information, the advisory representative selects the appropriate securities for the account including, but not limited to: stocks, bonds, mutual funds, interval funds, options, ETFs, unit investment trusts ("UITs"), certificates of deposit, structured products, and/or cash equivalents. Minimum investment: $50,000.

ESI Illuminations – Unified Managed Accounts ("UMA")

The ESI Illuminations UMA program gives clients the ability to utilize the services and strategies of multiple managers within one brokerage account. ESI, through its IARs, builds and recommends UMA portfolios, which provide diversification among strategies and/or third-party managers, as well as Separate Account Managers. As the administrator, Envestnet executes trading activity, as instructed by the various third-party managers, and maintains the allocation in accordance with the client's Statement of Investment Selection ("SIS"). The platform technology provides the ability to unify multiple strategies and apply ongoing re-balancing within one account. Minimum investment: $150,000.

Strategist Managed UMA programs give clients the ability to select a Strategist, available on the Envestnet platform, to build and manage diversified UMA portfolios, which can incorporate general securities, as well as investment models managed by other third-party Strategists. As the overlay manager, Envestnet executes trading activity, as instructed by the Strategist, who builds and manages the account on a discretionary basis, in accordance with the client's SIS. These programs are designed for high-net worth clients and have minimum investments starting at $500,000.

Separately Managed Accounts ("SMA") are available under the UMA program. SMAs give clients the ability to invest in specific sectors and/or asset classes. The SMA manager is the discretionary manager and often uses general securities, but also has the option of utilizing mutual funds or ETFs. Clients utilizing a SMA in their UMA portfolio have the ability to use additional overlay services, at an additional cost, such as tax management and Impact Overlay (which allows the investor to incorporate certain policies, such as Environmental and Social Governance (ESG), into their portfolio).

Navigator Select is a SMA program that gives the client indirect access to one or more separately managed account managers who fund model portfolios with general securities. The IAR and the client choose separate account managers which are pre-screened by Envestnet Portfolio Solutions. The separate account managers choose the general securities to fund the portfolios and have trading discretion. This program is closed to new investors.

American Funds Retirement Plan Solutions ("American Funds")

American Funds is generally designed to serve small and mid-sized employer-sponsored retirement plans, but also offers solutions for large plans. American Funds provides retirement plans with investment options consisting of mutual funds and stable value funds. In designing the plan, the client, the plan sponsor, selects an investment menu from the American Funds platform.

These solutions are available in a variety of share classes to accommodate varying plan objectives. The Plan Sponsor will determine the appropriate investments and share class(es) for the plan offerings. Plan design is based on a variety of factors, including administration objectives, plan size, financial advisor service levels, investment choice, and over-all expense objectives, and the investment options – including the fund families and risk level – will vary based on the platform selected.

AssetMark
AssetMark offers asset allocation services. Working with AssetMark, EFA, through its advisory representatives, assists clients in establishing an investment strategy consistent with their investment objectives and risk tolerance. The creation of the investment strategy is based on a client profile questionnaire that helps determine such factors as risk tolerance, investment objectives, and financial goals. AssetMark provides advisory services to EFA clients on a discretionary basis. Account administration, fee billing and performance reporting are provided via internet-based software. EFA acts as co-adviser on AssetMark's advisor model portfolios, and shares in the fees collected by AssetMark. AssetMark utilizes the custodial services of AssetMark Trust Company, Pershing, and TD Ameritrade. The specific custodial arrangement is established under an agreement between the customer and the custodian, separate from the customer's agreement with AssetMark. Minimum investment varies by program:

Mutual fund models: As low as $10,000 (varies by Strategist)
ETFs and privately managed accounts: $100,000
Multi-manager models: $50,000[2]

Saratoga Advantage Trust ("Saratoga")
Saratoga offers objective setting and asset allocation services. EFA, through its advisory representatives, prepares asset allocation recommendations for each client based on an investor profile questionnaire. Saratoga Capital Management, LLC, selects the sub-advisors for the various funds, recommends portfolio models based on the investor profile questionnaire, and provides detailed quarterly performance reports to the IARs and clients. Saratoga changes model allocations based on their capital market assumptions. Clients determine whether or not to follow the model recommendations made by Saratoga Capital Management, LLC. EFA acts as advisor, and shares in the fees collected by Saratoga. Custodial services are provided by First National Bank for IRA assets, and by BNY Mellon for all other accounts. This program is closed to new investors.

Schwab Retirement Advisor Services ("SRAS") (FKA TD Ameritrade Retirement Plan Platform)
SRAS is a retirement plan platform. Custodial services are provided by Charles Schwab Trust Bank and brokerage services are provided through Charles Schwab & Co., Inc. ("Schwab") SRAS provides clients with access to mutual fund and ETF investments for use in their retirement portfolio. Working through SRAS, clients will establish an investment strategy consistent with their investment objectives and risk tolerance based on a questionnaire and client profile. Once an investment strategy is established, assets are invested through Schwab. Clients have the option of selecting their own investments, without the assistance of a professional asset manager, or they have the option of selecting a professional discretionary asset manager from a list provided through SRAS. Minimum investments will vary, depending on the plan sponsor.

[2] AssetMark's standard minimum investment is $50,000. However, minimum investment requirements for other Strategists offered through the multi-manager models may vary. Investments in the multi-manager models must meet the specific Strategists' minimums, which may be higher than that of AssetMark.

SEI Investments ("SEI")
SEI offers objective setting and asset allocation services. Working with SEI, EFA, through its advisory representatives, assists clients in establishing an investment strategy consistent with their investment objectives and risk tolerance based on a questionnaire and client profile. SEI acts as sponsor, and SEI Investments Management Corporation is the discretionary investment manager for both the Managed Account Program and the Integrated Managed Account. SEI selects the sub-advisors for the various mutual funds, initiates quarterly portfolio re-balancing, and provides detailed quarterly performance reports to the clients and IARs. EFA acts as co-adviser, and shares in the fees collected by SEI. SEI Private Trust Company acts as custodian for the assets. There is no minimum investment.

Item 5 – Fees and Compensation

Asset-Based Pricing (“ABP”)
Effective February 15, 2021[3], ESI amended its brokerage agreement with NFS to implement ABP. Under this pricing structure, ESI pays NFS a fee, based on the amount of brokerage accounts using ABP for custodial and brokerage services. This fee decreases as more assets are placed on the platform. As of February 15, 2021, accounts opened on the ESI Illuminations platform are subject to ABP. Therefore, ESI has a financial incentive to place more assets into accounts using ABP with NFS, and to move existing accounts opened in other programs to the ABP structure to reduce its costs and increase its profit margins.

Because ESI pays NFS this asset-based fee, NFS does not charge ESI fees commonly called “transaction fees”, which are fees typically charged each time there is a purchase or sale of most mutual funds, bonds, equities or options. Therefore, ESI will not charge transaction fees to accounts using ABP. However, ESI will still charge ABP accounts certain service fees each time a service is provided. For a comprehensive list of transaction and service fees, please consult your brokerage agreement, or ESI’s website.

NFS does not charge ESI the asset-based fee on mutual fund share classes that are not subject to transaction fees (commonly referred to as no-transaction fee, or “NTF” funds), Fidelity retail funds, cash and cash equivalents, and non-standard assets (which include: foreign securities, alternative investments, and non-marketable securities). However, when these funds or programs are used, ESI’s platform fee under ABP remains the same. Therefore, ESI has an incentive to use these funds or programs, because ESI will make more profit when they are used.

Platform Pricing
Unless otherwise established under ABP, accounts opened on the ESI Illuminations platform prior to February 15, 2021 are subject to the Platform Pricing model, which is comprised of several components. Under Platform Pricing, the total fee paid by the client is comprised of:
1) a platform fee (as applicable to the specific programs described below);
2) the third-party Strategist’s management fee (as applicable); and
3) EFA’s fee for service, as negotiated between the client and the IAR.

Accounts subject to Platform Pricing have the ability to use NTF mutual funds. Buying and selling these funds does not result in transaction charges, and you do not directly pay a fee for trading. However, NTF funds typically have higher internal expenses. For a more detailed discussion of the differences between NTF and non-NTF funds, please see “*Fees and Expenses: NTF vs Non-NTF Funds*” below.

[3] The Flagship program is not included in asset-based pricing and remained available to new investors under the previous pricing model until 3/17/2021. Effective 3/17/2021, Flagship closed to new investors.

If you currently have an account subject to Platform Pricing, you may elect to move your account to a new account with ABP, which will typically use mutual funds with lower internal expenses but will require you to pay a higher platform fee. If you are interested in this option, you should speak with your advisory representative.

Most fee-based advisory accounts at EFA do not charge separate transaction charges or commissions. Only the following fee-based programs at EFA could charge separate transaction charges in ESI brokerage accounts:

- Flagship Select accounts subject to Platform Pricing, which have not elected to convert to ABP, when ETFs and certain mutual funds (which are not NTF funds) are bought or sold;
- Directions accounts subject to Platform Pricing, which have not elected to convert to ABP, when ETFs and certain mutual funds (which are not NTF funds), bonds and general securities are bought or sold.

EFA retains the platform fee. Annually, eligible IARs receive a portion of the platform fee that was paid to the Firm, based on the average monthly amount of total client assets they had on the Illuminations platform over the previous year. Specifically, IARs receive payments according to the following schedule:

Average Monthly Balance on ESI Illuminations Platform	Credit
$0 – $4,999,999	0%
$5,000,000 - $25,000,000	0.01%
$25,000,001 - $50,000,000	0.015%
$50,000,001 - $75,000,000	0.02%
$75,000,001 - 100,000,000	0.25%
$100,000,001+	0.03%

For illustrative purposes, under this model, an IAR whose average monthly managed assets is $10 million would receive $1,000 (or 0.01%) from ESI. This income is paid to the IAR out of the revenue that would otherwise be retained by the Firm and does not result in an increased fee to your account. However, this incentive creates a conflict of interest in that the IAR receives more compensation for placing assets on the Illuminations platform than they might otherwise receive by using another asset management provider. If you are not comfortable with this, you can select another advisory program offered by ESI that is not on the Illuminations platform.

SEI Private Client Model accounts have a lower administrative fee, compared to other offerings, such as those on the Illuminations platform. This creates a conflict of interest for representatives in that they retain more of the advisory fee associated with SEI accounts than with those in other available programs. Conversely, EFA is conflicted in that it is incented to promote programs other than SEI which might otherwise generate more revenue to the Firm.

Fee-Based Accounts

When making the determination of whether one of EFA's advisory programs is appropriate for their needs, clients should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower transaction costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, fee-based accounts may result in a higher annual cost to the client than a traditional brokerage account. Thus, depending on a number of factors, the difference in total cost of a fee-based account compared to a commission-based account can vary significantly. Factors which affect the cost of a fee-based account include the account size, as well as the investment advisory fee you have negotiated with your Advisor. Factors which affect the cost of a commission-based account that charges transaction fees include the number of transactions in the account, the types and quantities of securities purchased or sold and commission rates. Clients should discuss any proposed program with their advisory representative and read this Brochure carefully, as it explains the programs in detail.

The specific manner in which fees are charged by EFA is established in a client's written agreement with EFA. EFA will generally bill its fees on a quarterly basis. Clients are charged for advisory services either in advance or arrears, each calendar quarter, depending on which advisory program they choose. Clients authorize the appropriate custodian to directly debit fees from their accounts, which are then paid to EFA for services provided. Advisory fees for each program are described below.

Program sponsors establish the minimum and maximum fee ranges associated with each of their respective programs. These ranges vary between programs and create a conflict to representatives in that there is an incentive to recommend programs with higher minimum and/or maximum allowable fees to generate higher fees.

On a quarterly basis, a portion of the fee for service (typically between 50%-85% of the fee) is paid to the IAR according to their compensation agreement with EFA. The total advisory fee is exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients incur certain charges imposed by custodians, brokers, third-party investment managers, and other third parties, such as: advisory fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, IRA fees, and other fees and taxes on brokerage accounts and securities transactions. Such expenses may be avoided through the selection of mutual fund share classes which do not include such fees, provided the funds make these share classes available.

Mutual funds and ETFs also charge internal management fees, which are disclosed in each fund's prospectus. Clients may incur deferred sales charges on previously purchased mutual funds.

Clients have the ability to purchase mutual fund shares directly from fund companies, without utilizing the services of an adviser. Doing so could provide clients with similar market exposure without paying advisory fees.

Fees and Expenses: 12b-1 Fees

Certain funds available in the ESI Illuminations programs pay additional compensation to ESI, such as 12b-1 (trail) fees. Other funds available in the ESI Illuminations programs do not pay ESI 12b-1 fees. This creates a conflict of interest, because it creates a financial incentive, specifically the receipt of additional compensation, for ESI to recommend mutual funds with greater expenses.

To eliminate this conflict, 12b-1 fees charged to accounts on the ESI Illuminations platform are credited back to the customer by the custodian (i.e. NFS). Therefore, ESI does not receive 12b-1 revenue from accounts on its Illuminations platform.

Fees and Expenses: NTF, Non-NTF, and Asset-Based Pricing

When considering the use of NTF funds versus non-NTF funds, it is important to understand the associated differences in fees and expenses. Compared to other funds, NTF funds typically have higher internal expenses, charged as a percentage of the assets in the fund and deducted from its value. Accordingly, these higher internal expenses reduce the returns of NTF funds. However, NTF funds do not have transaction fees, which are charges that investors typically pay with each purchase or sale of mutual fund shares. Your brokerage agreement describes transaction fees in more detail.

Sometimes, but not always, clients could save money by paying transaction fees instead of investing in more expensive NTF funds. Paying transaction fees is not available in all advisory programs at EFA. When paying transaction fees is available, whether or not a client saves money overall depends on several factors.
Factors that increase the fees you pay when using NTF funds include:

- How much higher the internal expenses of the NTF fund are as compared to a less expensive alternative; and
- The amount of assets held in NTF funds.

Factors that increase the transaction charges you pay when using non-NTF funds, include:

- How often the manager makes (or recommends) purchases and sales, and/or rebalances the account;
- How often funds are deposited into the account, if they are then used to purchase mutual fund shares, resulting in transaction fees;
- How often withdrawals are requested from the account, which would likely result in the sale of mutual fund shares to generate cash for the requested withdrawal;
- Whether the client changes their investment strategy, which would cause the manager to rebalance (or recommend rebalancing of) the account; and/or
- Any other action that results in the purchase and/or sale of mutual fund shares.

For example: an advisory account funded with $100,000 could purchase NTF funds, and there would be no transaction charges for doing so. If these funds, on average, had higher internal expenses of 0.33% (as compared to available non-NTF share classes of the same fund), the mutual funds in the account would cost $330 more in fees each year than their cheaper alternative. However, using the less expensive alternative funds would result in the assessment of ticket charges when: 1) the funds were initially purchased, 2) the manager rebalances the holdings (or recommends rebalancing) or otherwise changes the funds in their investment model, and 3) funds are sold to make a withdrawal from the account. If the cost of each transaction was $13, and there were 25 transactions in the account in a year, using NTF funds would avoid $325 in transaction fees. Accordingly, under this hypothetical scenario, the additional expense of the more expensive NTF funds is approximately the same as the amount that would otherwise be saved by not paying ticket charges.

The example above is strictly intended for illustrative purposes and does not reflect the experience of any particular client or program offered through EFA. Clients should discuss these issues with their advisor, especially if their account is over $100,000 in value.

Clients whose accounts are subject to Platform Pricing may elect to move their account to an asset-based pricing structure, which typically uses mutual funds with lower internal expenses, but also requires a higher platform fee that covers transaction charges. The platform fee you pay to use asset-based pricing ranges between 0.26% and 0.45% and is higher than the platform fee you would pay to use NTF funds. However, paying the higher platform fee may still result in paying lower fees, overall, if the savings by using funds with lower internal expenses is greater than the increased platform fee. If you are interested in asset-based pricing, you should speak with your advisor.

Strategist programs may or may not include the use of NTF funds, based on each individual portfolio managers' discretion. If clients are uncomfortable with the use of NTF funds in their portfolio, and would prefer to pay transaction fees, they should work with their advisory representative to ensure their chosen program addresses their concerns.

For Flagship Select accounts subject to Platform Pricing, ESI allows representatives the ability to either pay transaction fees or pass them through to the client. For ESI Directions accounts subject to Platform Pricing, the advisory representative pays transaction fees. In either case, this creates a conflict of interest for your IAR, who can avoid paying transaction fees by recommending NTF funds, which often have higher internal expenses and can lower your investment returns but have no transaction fees. You should discuss this conflict with your IAR, and you can select funds with transaction fees paid by your IAR. Your IAR may need to discuss revising your investment advisory fee to account for the additional transaction fee expenses. Additionally, if your IAR is paying transaction fees for trading activity in your account, the IAR and the Firm have a conflict of interest when considering whether to recommend that you convert to an account with asset-based pricing, because making that recommendation will result in the IAR no longer paying for transaction fees, but it will result in your payment of a higher platform fee.

Within the Flagship Select, ESI Directions, and ESI Compass programs, accounts subject to ABP may not purchase NTF funds. While EFA does not receive additional revenue from NTF funds used under ABP, these funds typically still carry higher internal expenses than non-NTF funds in exchange for the benefit of not charging transaction fees. Accounts established under the ABP model already do not pay transaction fees. Therefore, EFA has restricted the availability of NTF funds in accounts subject to ABP.

Clients should review the Form ADV Part 2A of any third-party manager being considered, to learn about their use of NTF funds. Clients may or may not be able to restrict the third-party manager's use of NTF funds. Therefore, if clients are uncomfortable with the use of NTF funds in their portfolio, and would prefer to pay transaction fees, but are unable to prevent their use, they should choose a different program.

Other Revenue

Revenue Sharing Arrangements

ESI has a revenue sharing agreement with NFS through which the Firm receives additional compensation for the use of NTF funds in ESI Illuminations accounts established under Platform Pricing. However, ESI does not receive additional compensation with respect to Fidelity's NTF funds, specifically, that are used in these programs. Additionally, ESI does not receive this additional revenue from NTF funds used in accounts subject to ABP. Item 12 further describes the factors that EFA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., transaction fees and commissions).

The Firm has other revenue sharing agreements with selected third-party asset managers ("TPAM"), collectively referred to as Strategic Partners, which pay additional material compensation in the form of a set amount or a percentage of assets under management. As a result, the Firm faces a conflict of interest in that it has an incentive to promote certain programs that provide additional compensation over others which do not, but which offer similar services. Certain other fund sponsors and/or TPAMs that do not participate in the Strategic Partners program, but whose funds may be used in accounts on the Illuminations platform, make marketing payments to ESI to sponsor certain meetings or events. These include American Funds, BlackRock Funds, PIMCO, Symmetry, and Vanguard. As such, the Firm has an incentive to promote use of these funds, over other available funds, in programs in which the IAR acts as the portfolio manager, specifically Flagship Select, ESI Directions, and ESI Compass.

Compensation From Securities and Other Investments

ESI, acting in its capacity as a broker-dealer, sells various securities and investment products from a number of different product sponsors, including ESI's affiliates, National Life and LSW. These products include mutual funds, variable annuities, Real Estate Investment Trusts (REITs), structured CDs, variable universal life insurance, options, municipal bonds, 529 college savings plans, and fixed indexed annuities. Fixed indexed annuities are not securities products, and ESI sells these products through registered representatives, who may be dually registered as IARs, in their capacity as insurance agents. Through its Strategic Partner program, ESI has established additional relationships with various participating product providers which pay additional compensation to ESI based on sales of their products. When your IAR sells one of these products to you ESI and your IAR can receive additional compensation from the transaction.

This creates a conflict of interest in that there is an incentive to sell products for which the Firm and the registered representative receives more compensation. The Firm reviews potential conflicts of interest as part of its due diligence review of new and existing programs and product offerings. For a detailed description of fees, expenses, and revenue from the sale of these products, please see ESI's Regulation Best Interest disclosure document at www.equity-services.com. To mitigate this conflict, ESI has policies and procedures to ensure that recommendations made are in our clients' best interest, which includes pre-transaction and post-transaction reviews of recommendations.

How Accounts Are Billed

The following section details the fee schedules for each of the advisory programs offered by EFA. Please note that advisory fees (those charged for services provided by the IAR) are subject to negotiation and often differ between clients, depending on the level of services provided, as long as the actual fee is not above the maximum in the stated fee schedule.

ESI Illuminations

For all ESI Illuminations programs, clients are charged a quarterly asset management fee based on the average daily balance for the billable quarter. Accounts established prior to February 15, 2021, are billed in arrears. Accounts established on or after February 15, 2021 (including previously established accounts that converted to ABP), as well as all ESI Directions (as discussed below), are billed in advance. In each instance, billing is based on the fee schedule below. Should a client close his/her ESI Illuminations account before the end of a quarter, the final fee will be prorated based on the number of days in the quarter that the assets were managed, and the fee will be charged, or the difference refunded, depending on whether the client's program billed in advance or arrears.

As of February 15, 2021, new accounts opened in third-party Strategist and UMA programs are charged a platform fee between 0.26-0.45%[4], based on account size, in addition to both the fee charged by the managing Strategist, which can range from 0.02%-1.00%, and the fee for service charged by EFA, which generally ranges between 0-2.00%. Third-party Strategist accounts opened prior to February 15, 2021 are subject to the fees disclosed in the client's original SIS, or as otherwise amended and agreed to by the client and IAR. The total client fee is provided to the client via the SIS, which is provided to and signed by the client at the time the account is opened.

Advisor as Portfolio Manager

Accounts in the Advisor as Portfolio Manager programs (i.e. Flagship Select and ESI Directions) opened prior to February 15, 2021 are subject to the fees disclosed in the client's original SIS, or

[4] A minimum platform fee of $75.00 applies to accounts that have an average daily balance below the program's minimum investment requirement. Depending on the account's average daily balance at the end of the quarter, this minimum platform fee may represent more than 0.30% of the assets.

as otherwise amended and agreed to by the client and IAR. Accounts opened in Flagship Select and ESI Directions on or after February 15, 2021 and all ESI Compass accounts are subject to a platform fee between 0.14-0.38%, based on account size, in addition to the fee for service charged by EFA, which generally ranges from 0–2.00%. The total client fee is provided to the client via the SIS, which is provided to and signed by the client at the time the account is opened. Flagship Select, ESI Directions, and ESI Compass charge the quarterly asset management fee based on the average daily balance for the previous quarter. Flagship Select accounts opened prior to February 15, 2021 bill in arrears. Flagship Select accounts opened on or after February 15, 2021, all ESI Directions, and all ESI Compass accounts bill in advance. Should a client close their Flagship Select, ESI Directions, or ESI Compass account before the end of the quarter, they will be charged or reimbursed, depending on whether their program billed in advance or arrears, for those days remaining in the quarter for which asset management services were or will not be provided.

Strategist UMA Programs (includes SMAs)
Accounts in the Strategist UMA programs are subject to the same billing as other Envestnet programs, with the exception of the separate managers' portion of fees. The separate manager's fee will vary based on the risk objectives and asset class(es) used in your portfolio. Pricing is at the discretion of the separate manager and is not necessarily consistent between managers. Generally, this portion of the fee is 0.02-0.03% more expensive than managers' fees in other Illuminations programs. This portion of your overall fee pays the separate manager for their services and is not shared with EFA nor your representative. If you choose to utilize a Strategist UMA program, you should discuss these differences in manager's fees with your advisor to ensure you understand the composition of your total fee.

American Funds Retirement Plan Solutions
Clients are charged a quarterly asset management fee by EFA, based on the value of the plan's holdings at the end of each calendar quarter. Billing is in arrears and subject to the following maximum fee schedule:

Plan Market Value	Quarterly Fee	Total Annual Fee	Annual Flat Fee (assessed quarterly)
$1 to $1,000,000	Not more than 0.25%	0.25% X 4 = 1.00%	$10,000
$1,000,001 to $2,500,000	Not more than 0.1875%	0.1875% X 4 = 0.75%	$18,750
$2,500,001 to $4,999,999	Not more than 0.15%	0.15% X 4 = 0.60%	$30,000
$5,000,000 to $10,000,000	Not more than 0.125%	0.125% X 4 = 0.5%	$50,000
$10,000,001 or more	Not more than 0.0875%	0.0875% X 4 = 0.35%	$3,500 per million (rounding up to nearest million)

The actual fee charged is specified in the advisory agreement and, upon the agreement of all parties, the actual fee charged to a client may be lower than the fee schedule above.

Limits are imposed based on the value of the Plan Market Value at the time your Agreement is signed. Any future fee reduction, including a reduction based upon an increase in value of the Plan Market Value, must be subsequently agreed to by the Financial Advisor and the Plan

Sponsor, documented in writing, and transmitted to and accepted by American Funds Retirement Plan Solutions.

Plan Market Value includes only the assets within the American Funds Retirement Plan Solution, and not other assets of the Plan. Should an account close during a quarter, a pro-rata fee is deducted from the account. This pro-rata fee will reflect the number of days in the quarter that the assets were managed.

AssetMark (Advisor Model)
Fees are payable in advance and are calculated based on the average daily balance of the previous quarter. Advisory fees are negotiated with the advisor (not to exceed 1.5%) and are assessed in accordance with the client's AssetMark advisory agreement. Clients who close their AssetMark account before the end of a quarter shall be reimbursed for those days remaining in the quarter for which asset management services will not be provided.

Saratoga
Clients are charged a quarterly asset management fee by EFA, based on the value of the client's holdings at the end of each calendar quarter. Billing is in advance and is based on the advisory fee schedule outlined in the advisory agreement. Upon the agreement of all parties, the actual fee charged to a client may be higher or lower from the stated fee schedule, as long as the actual fee is not above the maximum fee of 2.00%. Clients who close their Saratoga account before the end of a quarter shall be reimbursed for those days remaining in the quarter for which asset management services will not be provided.

Schwab Retirement Advisor Services
Clients are charged a quarterly asset management fee by EFA, based on the value of the plan's holdings at the end of each calendar quarter. Billing is in arrears and based on the following fee schedule:

Plan Market Value	Quarterly Fee	Total Annual Fee	Annual Flat Fee (assessed quarterly)
$1 to $1,000,000	Not more than 0.25%	0.25% X 4 = 1.00%	$10,000
$1,000,001 to $2,500,000	Not more than 0.1875%	0.1875% X 4 = 0.75%	$18,750
$2,500,001 to $4,999,999	Not more than 0.15%	0.15% X 4 = 0.60%	$30,000
$5,000,000 to $10,000,000	Not more than 0.125%	0.125% X 4 = 0.5%	$50,000
$10,000,001 or more	Not more than 0.0875%	0.0875% X 4 = 0.35%	$3,500 per million (rounding up to nearest million)

The actual fee charged is negotiable and is specified in the advisory agreement. Upon the agreement of all parties, the actual fee charged to a client may be lower than the fee schedule above but may not exceed the maximum stated above. Clients who close their account during a quarter will have a pro-rata fee deducted. This pro-rata fee will reflect the number of days in the quarter for which asset management services were provided.

SEI

Clients are charged a quarterly asset management fee by EFA, based on the value of the client's holdings at the end of each calendar quarter. Upon the agreement of all parties, the actual fee charged to a client may be higher or lower from the stated fee schedule, as long as the actual fee is not above the maximum fee of 1.75%. Additionally, EFA charges 5 basis points (0.05%) for administrative costs associated with SEI accounts. Billing is in arrears and based on the advisory fee schedule outlined in the advisory agreement. Clients who close their account during a quarter will have a pro-rata fee deducted from the account. This pro-rata fee will reflect the number of days in the quarter for which asset management services were provided.

Financial Planning/Consulting Services

Fees for financial planning/consulting services are negotiable, and are based on various factors including, but not limited to: the types of services provided, complexity of your finances, and time involved in plan development. In no case will EFA accept advance fees for financial planning/consulting services that are greater than $1,200, unless the parties agree that all services will be completed within six months from the receipt of such payment.

<u>Financial Planning</u>

You may choose to obtain a single financial plan, or to obtain financial plans on a recurring basis.

If you engage with an advisor for a single financial plan, you will agree with your advisor to pay a fixed fee for the plan. You may pay for all or part of your financial plan when you sign your financial planning agreement, and/or you may pay for all or part of your financial plan when it is delivered, according to the payment arrangement you decide upon with your advisor. Clients retain the right to terminate the financial planning agreement prior to the delivery of the financial plan by notifying EFA per the terms of the financial planning agreement. Clients selecting this option who pre-pay fees but terminate a financial planning agreement prior to the client delivery of a financial plan will receive a refund of fees paid, minus a prorated amount (as determined by EFA) for services provided prior to the termination.

Alternatively, you may elect to receive a financial plan on a recurring basis. If you select this option, you will generally receive an updated financial plan on the anniversary of your original agreement for the same fee. Your method of payment will be billed when you sign a financial planning agreement, as the first of equal monthly or quarterly installments until the fee for the plan is paid. You will receive an updated financial plan each year, and you will pay for the subsequent financial plans in the same manner, until the agreement is terminated. A client that chooses a recurring financial plan may terminate the agreement at any time, including after the delivery of a plan, in which case billing will stop when the last delivered plan has been fully paid for. The initial plan and updated plans, thereafter, will generally be delivered to you within four months, and in no event more than six months, from the execution or anniversary date of your financial planning agreement, as applicable. If the plan due is not delivered within six months, all fees that EFA received for the associated plan will be refunded.

<u>Financial Consulting</u>

Financial consulting agreements may be paid in full upon completion of services. Alternatively, fees for consulting services may be paid in whole or in part in advance. You may pay all or a portion of your fee, as agreed to with your IAR, upon the signing of your financial consulting agreement but before services are delivered, with the balance due and payable upon the completion of services. If you agree to this method of payment, the entire payment will become due when services are completed. Financial consulting services are not eligible for monthly or quarterly installment payment plans.

You retain the right to terminate your financial consulting agreement prior to the delivery of services by notifying EFA per the terms of the financial consulting agreement. Clients who pre-pay fees but terminate a financial consulting agreement prior to the final delivery of services will receive a refund of fees paid, minus a prorated amount (as determined by EFA) for services provided prior to the termination.

Financial Planning/Consulting Fees
Advisory representatives are permitted to charge a fee for services provided, based on an analysis of multiple factors and subject to your agreement, and will generally not exceed a total of $15,000 per agreement.

For a discussion of how the Firm identifies and addresses potential conflicts of interest which arise from fees and compensation, please refer to Item 11 (Code of Ethics). Additional detail regarding EFA's brokerage relationships is available under Item 12 (Brokerage Practices), as well.

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

EFA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

EFA provides portfolio management services to individuals, corporations, trusts, estates, charitable organizations, and retirement plans including pension and profit-sharing plans. Most asset management programs offered by EFA have minimum account sizes to open/maintain an account ranging from $10,000 to $750,000. Details on these minimums are explained by the various asset managers' program description materials.

The Firm reserves the right to prohibit anyone or any account type from investing in any of its advisory programs if it believes the recommended program is not an appropriate investment strategy for the client.

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

EFA's advisory representatives generally use technical and/or fundamental analysis when analyzing securities. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Sources of information for analysis include research material acquired from outside vendors, financial newspapers and magazines, annual reports, prospectuses, filings with the SEC and company press releases.

Investment strategies used to implement investment advice to clients include: long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), margin transactions, and/or option writing.

EFA will utilize certain asset allocation tools and investment research materials prepared by third-party investment advisers in constructing an appropriate asset allocation for a client and in monitoring the performance of the investment portfolio selected. Clients can learn more about the methods of analysis, investment strategies, and risk of loss associated with the advisory platform providers offered by EFA by reviewing the Form ADV Part 2A of those advisers.

Investing in securities involves several risks of which clients should be informed, and prepared to bear, prior to investing. The list below explains the various forms of risk associated with investing in securities.

Common stocks may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular country, company, industry, or sector of the market. In addition, the types of stocks in which a particular fund invests, such as value stocks, growth stocks, large-capitalization stocks, mid-capitalization stocks, small-capitalization stocks and/or micro-capitalization stocks, may underperform the market as a whole. In addition, growth stocks can be more volatile than other types of stocks. Value stocks can continue to be undervalued by the market for long periods of time.

Additionally, dividends paid on common stocks can vary significantly over the short-term and long-term. Dividends on common stocks are not fixed but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of common stocks in which a portfolio invests will declare dividends in the future or that if declared they will remain at current levels or increase over time.

Fixed income risks include credit risk, interest rate risk, and high yield risk.

Liquidity risk is the risk that an investor may not be able to sell shares at an advantageous time or price. Interval funds, for example, offer investors the opportunity to generate income but only offer liquidation of shares on a limited basis (for example: redemptions may be limited to a maximum of 5% of the fund's assets) and only during defined time periods. Additionally, there is no secondary market for interval fund shares.

Credit risk is the risk that an issuer of a debt security will be unable to make interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments. Credit risk may be heightened for portfolios that invest in "high yield" securities.

Interest rate risk is the risk that the value of a portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments. Duration is a common measure of interest rate risk. Duration measures a bond's expected life on a present value basis, taking into account the bond's yield, interest payments and final maturity. The longer the duration of a bond, the greater the bond's price sensitivity to changes in interest rates.

High yield, or below investment grade securities may be more susceptible to real or perceived adviser economic conditions than investment grade securities. In addition, the secondary trading market for below investment grade securities may be less liquid. High yield securities generally have more volatile prices and carry more risk to principal than investment grade securities.

International Investing Risk is the risk associated with investing in securities or issuers in markets other than the United States. Foreign issuers may be subject to risks not typically associated with U.S. companies, such as: currency risk, risks of trading in foreign securities markets, and political and economic risks.

Currency Risk is associated with the trading of securities in currencies other than the U.S. dollar. Because foreign securities generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect an account's value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. A strong U.S. dollar relative to these other currencies will adversely affect the value of an account.

Foreign Securities Market Risk is the risk that securities of many non-U.S. companies or U.S. companies with significant non-U.S. operations may be less liquid and their prices more volatile than securities of comparable U.S. companies. Securities of companies traded in many countries outside the U.S., particularly emerging markets countries, may be subject to further risks due to the inexperience of local investment professionals and financial institutions, the possibility of permanent or temporary termination of trading, and greater spreads between bid and asked prices for securities. In addition, non-U.S. stock exchanges and investment professionals are subject to less governmental regulation, and commissions may be higher than in the U. S. Also, there may be delays in the settlement of non-U.S. stock exchange transactions.

Political and Economic Risks are a factor when investing in international companies due to varying levels of stability in political, social, or economic factors in the country of the issuer of a security, the difficulty of predicting international trade patterns, the possibility of the imposition of exchange controls, expropriation, limits on removal of currency or other assets, and nationalization of assets.

Acting in their discretionary authority, unaffiliated third-party asset managers (TPAMs) retain the ability, outside EFA's control, to implement changes to their managed portfolios. For example, a TPAM may determine to convert a portfolio's holdings from a mixture of mutual funds to solely the use of ETFs to lower expenses. While such changes must be within the parameters of their investment mandate and must align with their fiduciary responsibility, they can, on occasion, result in a taxable event for shareholders.

Additionally, income from foreign issuers may be subject to non-U.S. withholding taxes. Non-U.S. companies generally are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory requirements that apply to U.S. companies; therefore, less information may be available to investors about non-U.S. issuers. In addition, some countries restrict foreign investment in their securities markets, which may limit or preclude investment in certain countries or may increase the cost of investing.

The above risks may be particularly significant in emerging markets countries. To the extent an account invests in depositary receipts, it will be subject to the same risks as when investing directly in foreign securities.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of the Firm or the integrity of its management. ESI is a registered broker/dealer as well as a federally registered investment adviser doing business as EFA.

Pursuant to the Securities Exchange Commission's ("SEC") Share Class Selection Disclosure initiative, Equity Services, Inc. ("ESI") self-reported its use of mutual funds that made payments of fees to EFA pursuant to Rule 12b-1 of the Investment Company Act of 1940, in several of its advisory programs. Subsequently, the SEC alleged that, during the period of January 1, 2014 to July 7, 2017, ESI did not adequately disclose to its clients its receipt of, nor the conflict of interest created by, 12b-1 fee revenue and/or its selection of mutual fund share classes that resulted in 12b-1 revenue to ESI.

> Without admitting or denying the findings, ESI agreed to an order from the SEC which imposed the following terms: (1) cease and desist from committing or causing any further violations of Section 206(2) of the Advisors Act of 1940; (2) censure by the SEC; and (3) disgorgement of fees and prejudgment interest to affected clients totaling $587,017.22.

The settlement was accepted by the SEC on September 30, 2019.

Item 10 – Other Financial Industry Activities and Affiliations

ESI is registered as a broker-dealer with the SEC, FINRA and all fifty states. ESI devotes a substantial portion of its time and derives a substantial portion of its revenue from its operations as a broker-dealer. As a broker-dealer, ESI offers the following investment and insurance products: general securities, mutual funds, fixed income securities, unit investment trusts, variable annuities and variable life products, indexed annuity products, direct participation programs, real estate investment trusts, and structured CDs.

EFA is under common control with NLG Capital, Inc., a registered investment adviser.

EFA is an affiliate of National Life. Most of EFA's advisory representatives are also life insurance agents of National Life. National Life provides space and certain other services to EFA.

LSW is another affiliated insurance company that offers fixed annuity products. Many of EFA's advisory representatives are appointed with LSW to sell fixed products.

EFA and its advisory representatives can offer affiliated products or services to advisory clients in order to execute certain transactions recommended within a financial plan. Clients are free to execute transactions recommended as part of a financial plan through any broker-dealer or product issuer they choose. If the purchase or sale of financial products recommended as a part of a financial plan is executed with an affiliate of EFA, EFA and the advisory representative receive compensation, including commissions and other compensation, in addition to the advisory fee paid.

EFA and its affiliates receive, in the aggregate, more revenue in connection with the sale of affiliated products than with unaffiliated products. This additional revenue often comes in the form of shared revenue based on assets under management, administrative, distribution, and/or other fees for services provided by affiliates of EFA in support of affiliated products. Thus, EFA has an incentive to offer affiliated products over unaffiliated products. As a result, the Firm faces a conflict of interest to the extent that it has an incentive to promote certain programs which use affiliated products over other programs which don't use affiliated products or use affiliated products to a lesser extent.

In some relationships, investment advisers or TPAMs pay EFA for client referrals. The nature of relationships among the TPAM, EFA, and the client is more fully described in the contracts entered into with each TPAM. In each relationship, EFA will receive a portion of the fee charged (commonly referred to as the "promoter fee"). EFA provides the TPAM's Form ADV Part 2A (or similar disclosure brochure) and a Promoter's Disclosure to the client. The promoter fee paid to EFA varies by TPAM. Accordingly, EFA faces a conflict of interest in that it has an incentive to refer clients to programs from which it would receive higher compensation.

EFA has a selling agreement with Brinker Capital Management ("Brinker") through which EFA solicits and recommends accounts held directly with and managed by Brinker. EFA also offers Brinker's management services as a third-party Strategist on the Illuminations platform. Brinker accounts established through the Illuminations platform enjoy certain benefits, including consolidated account statements and reporting (beneficial to those using more than one Strategist), as well as added flexibility in changing and allocating assets amongst Strategists on the platform, but are subject to the platform fee that comes with utilizing the Illuminations platform. Accounts that are established directly with Brinker, through EFA's promoter relationship, are not subject to a separate platform fee. Accordingly, an IAR can retain more of your fee if paying a platform fee is not required. So, directly held Brinker accounts generally experience a lower overall management fee than those that are established on the Illuminations platform (subject to the billing practices of each IAR). This also creates a conflict for EFA in that regardless of your total advisory fee, it receives more revenue from accounts established on the Illuminations platform than it does from those established directly with Brinker. If you are considering Brinker as a third-party manager, we encourage you to consult with your advisor regarding which program (i.e. Third-Party Strategist through Illuminations or Promoter) best suits your needs.

EFA receives payments from firms or persons that offer asset management or separate account products or services which are included in a preferred list of product providers (referred to as "Strategic Partners"). These payments take the form of conference, program, or event attendance; participation or exhibition fees; educational and training fees; or fees linked to program participation or specific marketing initiatives within an existing program. None of these additional payments are paid or directed to any advisory representative who sells these products. Nonetheless, when recommending an asset management program to their clients these marketing payments and educational opportunities present a conflict of interest to the extent that such payments incentivize advisory representatives to recommend Strategic Partners, as opposed to other advisers that do not make such payments. Among its advisory programs, EFA's Strategic Partners are: AssetMark, BlackRock Funds, Brinker Capital, Envestnet Portfolio Solutions, Freedom Advisors, Maple Capital Management, PIMCO Investment Management, and Touchstone Advisors.

Many IARs own and operate their own independent companies separate from EFA. Such IARs provide one or more services through these unaffiliated companies including, but not limited to, accounting/tax services, business consulting and insurance brokerage services. If a client engages an IAR to provide any such services, these services are offered and performed solely in the IAR's private and/or professional capacity, and not as a representative of the Firm.

For additional discussion of how the Firm identifies and addresses potential conflicts of interest, please refer to Item 11 (Code of Ethics).

Item 11 – Code of Ethics

EFA has adopted a Code of Ethics ("the Code") that mandates high standards of business conduct and professionalism. EFA, through its advisors, will provide a copy of its Code of Ethics to any client or prospective client upon request. In general, the Code addresses certain groups of persons: Supervised Persons and Access Persons. The term "Supervised Persons" refers to any partner, officer, director, employee, or IAR of the Firm. "Access Persons" represent a subset of this population and refers specifically to those individuals who have access to (1) nonpublic information regarding any clients' trading activity, (2) nonpublic information regarding the portfolio holdings of any reportable fund, or (3) those who are involved in making securities recommendations to clients or who have access to such recommendations that are nonpublic.

The Code prohibits EFA's Supervised Persons from purchasing initial public offerings ("IPOs") or trading on material non-public information. Additionally, the Firm's Access Persons are required to report their securities holdings upon initial hire, and again annually. Quarterly reporting of personal securities transactions is also required for Access Persons. EFA's Supervised Persons must acknowledge the terms of the Code annually.

The Code requires that advisory representatives render disinterested and impartial advice and make appropriate recommendations to clients based on an analysis of their needs. Conflicts of interest arise when a recommendation could result in additional compensation to the Firm and/or the advisory representative through the Firm's business relationships or through the execution of commissionable transactions. Such conflicts are a consideration for the Firm's Senior Business Risk Analysts in their review of new accounts and transactions. The Firm addresses conflicts of interest and potential conflicts of interest by periodically reviewing them during EFA's senior management meetings, and through disclosure to its clients, such as that contained in this Brochure.

Additionally, the firm and the advisory representative can face conflicts of interest when providing services to retirement accounts. This occurs when an advisory representative recommends that you transfer your retirement account from a different financial institution to our firm, because doing so will result in the firm and the advisory representative receiving compensation that we would not otherwise receive. Conflicts of interest can also arise with existing customers when an advisory representative recommends a new type of account that has a different compensation structure that will increase compensation. For example, this could occur if an advisory representative recommends transferring assets in a brokerage account (which generates compensation when a transaction is made) to an advisory account (which charges an annual fee for ongoing management). These conflicts can arise when an advisory representative recommends taking money from a qualified plan and doing an IRA rollover; recommends that someone transfer assets from an IRA to a qualified plan; recommends the transfer of an IRA account to a new IRA; recommends that a qualified plan transfer assets to a new investment provider; or recommends that an IRA change the type of account being used (such as recommending that a commission-based account be changed to a fee-based account).

All Supervised Persons whose activities could encompass the solicitation of government clients are required to pre-clear political contributions to local or state candidates, or candidates for federal office who currently hold a state or municipal office, to state and local political parties, or to political action committees.

Advisory representatives occasionally buy, hold, or sell securities for their own accounts that are also recommended to, or bought or sold for, their clients at the same time or at different times as clients are trading in these securities. However, neither EFA nor any employee may receive preferential treatment over clients.

It is EFA's policy that the Firm will not affect any principal or agency cross transactions for client accounts. EFA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser (that is, an advisory firm), acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions arise when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Cross trades occur where an adviser causes a client account to sell a security to another client account, whether or not a commission is charged in the transaction.

EFA and its affiliates also contribute amounts to various non-cash and cash incentives paid to EFA's advisory representatives based on the achievement of specified sales goals for certain securities, as described in Item 14 (Client Referrals and other Compensation). Incentive programs are reviewed by EFA's Compliance Department. The review of such programs seeks to ensure that all such incentives adhere to applicable rules. Conflicts of interest are managed through public disclosure to clients and prospective clients, and on the Firm's public website.

Unaffiliated TPAMs occasionally pay travel, meal and other expenses for advisory representatives and others who visit the TPAM's offices or other locations (including hotels and conference centers) to learn about its products and services. This creates a conflict of interest for IARs who may be incented to favor doing business with certain TPAMs over others, on the basis of benefits received in conjunction with such visits.

EFA's advisory representatives have an incentive to choose certain programs based on the maximum fee that can be charged given the asset value of the account, as well as whether the advisory representative bears additional program charges. This creates a conflict of interest for the advisory representative, as they generally retain more of the revenue generated by fees in programs that do not include platform fees or other administrative fees as part of the overall advisory fee.

The Firm reviews potential conflicts of interest as part of its due diligence review of new and existing programs. The Firm provides disclosure to clients and potential clients of its fee structure and revenue agreements in this Brochure, as well as through the revenue sharing disclosure documents posted on its public website (www.equity-services.com).

Item 12 – Brokerage Practices

EFA and its advisory representatives offer brokerage services to advisory clients in order to execute certain transactions recommended within a financial plan, as well as in programs on the ESI Illuminations platform. Clients are free to execute securities transactions recommended as part of a financial plan through any broker-dealer they choose. If ESI is the broker-dealer selected to execute the purchase or sale of financial products recommended as a part of a financial plan, ESI and the advisory representative will receive additional compensation (including commissions, 12b-1 fees, and NTF revenue sharing, as applicable) in addition to the financial planning fee paid. EFA generally has written agreements whereby clients agree that all brokerage transactions will be executed through NFS, unless otherwise directed by the client. EFA is also a registered broker dealer, doing business as Equity Services, Inc. ("ESI").

ESI has entered into a clearing arrangement with NFS. EFA will, therefore, be viewed as recommending itself to clients as a broker-dealer in these situations. ESI acts as the introducing broker-dealer in this arrangement and can receive transactional compensation. Under certain circumstances, EFA will forego seeking and obtaining more favorable prices and lower commission rates or other charges, when executing trades through NFS, than EFA may otherwise be able to obtain by negotiating better prices or lower rates of commission with certain other broker-dealers. However, executing transactions through NFS can benefit clients when NFS aggregates client trades with orders from its other clients. This aggregation can provide savings on execution costs through volume discounts that EFA would not otherwise be able to negotiate or obtain for other clients who do not execute trades through NFS. EFA regularly reviews pricing and execution through the use of various reports received, which detail comparative execution data. Such reports are periodically reviewed by senior management.

ESI, in its capacity as a broker-dealer, often executes securities transactions for its advisory clients, including, but not limited to, transactions in securities distributed or underwritten by an affiliate. ESI's fully disclosed clearing relationship with NFS provides for the offering of stock, bond and options trading. ESI is not affiliated with NFS, but receives revenue sharing payments from NFS when NTF mutual funds are used in its proprietary advisory programs (i.e. those on the ESI Illuminations platform). EFA and its advisory representatives generally receive compensation, including commissions on transactions for which ESI acts as broker-dealer, in addition to that which is received for the performance of advisory-related services.

For accounts opened prior to February 15, 2021, NFS provides access to NTF funds on the "NTF Mutual Fund" platform, which result in revenue sharing payments from NFS to ESI. For accounts opened after this date, ESI does not participate in revenue sharing. Additionally, NFS provides access to NTF funds on the "NTF For Managed" platform, which result in the payment of 12b-1 fees to ESI, which are credited back to client accounts. For accounts opened prior to February 15, 2021, where a third-party manager is choosing which fund to use, EFA receives more revenue when the third-party manager chooses from the NTF Mutual Fund platform as opposed to the NTF For Managed platform. For accounts opened after this date, ESI does not participate in the revenue sharing.

For Flagship Select and ESI Directions accounts opened prior to February 15, 2021, where the IAR can recommend NTF funds to the client, EFA receives more revenue when the IAR chooses from the NTF Mutual Fund platform as opposed to the NTF For Managed Platform. ESI does not participate in the revenue sharing for any accounts opened after this date. Clients should consult with their IAR to determine whether a recommended mutual fund, or one actually purchased for them, is on the NTF Mutual Fund or NTF For Managed platform at NFS.

Transaction fees, service fees, and IRA fees in brokerage accounts associated with programs on the ESI Illuminations platform include a markup by ESI from the actual fee charged by NFS. ESI's brokerage fee schedule can be viewed on its public website (www.equity-services.com).

Additionally, NFS charges ESI an asset-based fee for transactions in asset-based pricing accounts, which ESI pays for, and makes profit for itself, through a platform fee (between 0.14% and 0.45%) paid by you which is higher than the platform fee charged on accounts without ABP.

Block Trades
TPAMs available on the Envestnet platform, acting in their capacity as discretionary advisers, have the ability to place certain transactions in the same security purchased for multiple advisory accounts at the same time. This practice is commonly referred to as "block trading" and is often used to obtain optimal execution for clients. Once executed, the TPAM allocates the execution costs and the shares to participating accounts pursuant to their internal policies. Accounts owned by IARs associated with our Firm but managed by TPAMs will be allocated securities and costs from block trading in a manner that is consistent with the treatment provided other client accounts. Block trading is not permitted in the Firm's Advisor-as-Portfolio Manager programs.

NFS Business Development Credit
ESI's fully disclosed clearing agreement with NFS includes the payment of a Business Development Credit, which is solely reliant on ESI's compliance with the terms and conditions of the clearing agreement and is not shared with IARs. The Business Development Credit is an annual credit, paid to ESI in five installments over the course of a 12-month period, and is not related to the sale or offer of products or services, nor is it dependent upon assets under management.

NFS Net Flows Credit
NFS pays additional compensation to ESI based upon whether it has added more assets (exclusive of increases based on market performance) to the NFS platform, as compared to withdrawals from the platform, over a 12-month period. This creates an incentive for ESI to recommend Illuminations versus other advisory programs that are not on the NFS platform. Additionally, this creates an incentive to recommend that you maintain your ESI Illuminations account instead of using another advisory program not on the NFS platform. This credit is not shared with the advisory representative.

Item 13 – Review of Accounts

Each advisory representative and his/her client will individually determine the frequency of reviews for the account(s) governed by an investment advisory agreement between the client and EFA. Factors triggering such a review will include but are not limited to: changing circumstances in the client's financial and personal life; the performance of the portfolio in both absolute terms, and relative to the client's goals, objectives and risk tolerance; and at the request of the client. In most cases, the review will be conducted by the advisory representative who performed the initial investment advisory services.

EFA utilizes software tools and/or review either exception reports or statements for accounts on which EFA is adviser or co-adviser, to detect and make recommendations to correct variations from client mandates that are beyond variance tolerances established by the Firm. For Flagship Select and ESI Directions accounts, the client instructs the Firm and/or the IAR(s) to use discretion to rebalance the accounts, to address variances that are beyond the Firm’s tolerances, or if they are concerned that a variance will result because an account’s risk score has changed. In the ESI Compass program, the advisory representative is granted discretionary trading authority to manage their investment models in accordance with the stated investment objective. In addition to review by advisory representatives, client accounts are reviewed by EFA Senior Business Risk Analysts and/or other home office staff members.

Quarterly performance reports are generated and made available to clients with accounts on the ESI Illuminations platform. Also, at least quarterly, NFS provides brokerage statements for Illuminations accounts. For other asset management programs offered by EFA, clients will receive, at a minimum, quarterly statements from the account custodian showing transactions for the prior quarter, fees, and current asset allocations, and may receive other reports as set forth in their account documentation**.**

Item 14 – Client Referrals and Other Compensation

EFA pays individuals or entities, acting as bona fide promoters, a portion of the advisory fee paid to EFA by the client if the client is referred to EFA by the promoter. All such promoter arrangements will conform to the requirements set forth in Rule 206(4)-1 of the Investment Advisers Act of 1940.

In addition to the revenue sharing payments from NFS discussed above, ESI (acting in its capacity as broker/dealer) also receives additional compensation as a broker-dealer for the sales of securities issued and/or distributed by members of its Strategic Partners program. The Strategic Partners Program currently includes the following issuers:

- Mutual Funds/Interval Funds/Unit Investment Trusts: BlackRock Funds, PIMCO, Touchstone Advisors
- Variable Annuities: Allianz, Brighthouse, Corebridge (formerly AIG), Equitable, Jackson National, Lincoln National, Nationwide, Pacific Life, Prudential, Transamerica
- Indexed Annuities: Allianz, American National Life, Lincoln National, Nationwide, North American, One America, The Standard, US Life Insurance Company
- Direct Participation Programs: RREEF Property Trust

Marketing and Training Support

Certain product sponsors may make other payments to EFA intended to reimburse the firm's representatives for marketing expenses, such as client seminars, marketing materials, etc. Marketing reimbursements from sponsors are directed to EFA and subsequently paid by EFA to the representative. Certain product sponsors and investment advisers may incur expense and/or provide reimbursement for educational and training programs. Training and education expenses and reimbursements are paid out of the adviser or affiliate's assets, not from the account assets, and are made to EFA in addition to annual service fees, and other fees and expenses disclosed in the adviser's Form ADV Part 2A, which is available on request from the investment adviser firm.

EFA and its affiliates also contribute amounts to various non-cash and cash incentives paid to EFA's advisory representatives based on the achievement of specified sales goals for securities, including (1) sponsoring sales contests and/or promotions in which participants receive awards or incentives such as travel, merchandise, computer hardware and/or software; (2) paying for occasional meals, lodging and/or entertainment; (3) making cash payments in lieu of business expense reimbursements; (4) making and forgiving business-related loans; (5) cash bonuses and/or; (6) employee benefits, such as health insurance, Social Security contributions, etc.

Current information regarding EFA's Strategic Partners program is found at www.Equity-Services.com or by calling (800) 344-7437.

For a discussion of how the firm identifies and addresses potential conflicts of interest which arise from its various business relationships, please refer to Item 11 (Code of Ethics).

Item 15 – Custody

EFA does not take custody of client funds or securities. Client funds and securities are held with a qualified custodian. Clients should receive, at a minimum, quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients should review their statements carefully and compare them to statements or reports they receive from EFA and/or their TPAM.

Item 16 – Investment Discretion

Accounts established in the Flagship Select and ESI Directions programs prior to March 30, 2016 did not grant the Firm nor its advisory representatives the authority to exercise investment discretion. However, the owner(s) of such accounts have the ability to grant discretion, under the parameters listed below, by providing written authorization in a form acceptable to the Firm.

ESI Compass accounts grant the Firm and the advisory representative discretionary trading authority, which acts as an instruction from the client to trade securities in the account without first obtaining their consent.

The discretionary trading authority given to EFA and the advisory representative in Flagship Select and ESI Directions accounts established on or after March 30, 2016 is limited to the authority to rebalance the existing holdings in a client's account through purchasing and selling securities without first obtaining the client's express permission for each transaction, and is permitted in the circumstances described below:

- Executing transactions in the account for the purpose of rebalancing the portfolio back to within the client's risk tolerance, as determined by the latest Investor Profile Questionnaire on file with the Firm;
- Executing transactions for the purpose of rebalancing the portfolio when concerned that a variance may result because an account's risk score has changed;
- Using discretion as to the time the Firm will make a trade in the account and the price paid for securities in accordance with the Firm's obligation to seek best execution.

In no instance do either EFA or the IAR have authority to choose or change the client's investment objective.

The discretionary investment and trading authority given to EFA can be exercised by the Firm and/or the client's IAR at any time and without prior notice to the client of each specific transaction. All clients (discretionary and non-discretionary) receive quarterly statements from NFS, detailing activity in their account(s). Clients should carefully review their statements upon receipt. Questions regarding trading activity should be directed to their Representative.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, EFA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Upon request of the client, EFA may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

EFA does not require prepayment of more than $1,200 in fees from clients for services that are not required to be completed six months or more in advance, and thus has not provided a balance sheet for its most recent fiscal year. EFA does accept payment of financial planning/consulting fees prior to the delivery of the financial plan or service.

EFA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has EFA been the subject of a bankruptcy petition at any time during the past ten years.