



Ladenburg Thalmann & Co. Inc., (“LTCO” or “Broker-Dealer”) offers a range of investments and services to its clients. Ladenburg Thalmann Asset Management (“LTAM”), is an affiliate of the Broker-Dealer and registered separately as an investment adviser (“RIA”). LTCO, and LTAM are subsidiaries of Osaic Holdings, Inc. Broker-Dealer and RIA have other industry affiliates that report up to Osaic, Inc. (“Osaic”), also a subsidiary of Osaic Holdings, Inc. As you work with your financial professional to determine the right investments and services to achieve your investment goals, it is also important for you to understand how your Broker-Dealer, RIA, Osaic and financial professional are compensated. Certain forms of compensation can create conflicts of interest, and it is important for you to assess these conflicts of interest when making investment decisions. This document is intended to help you understand how your Broker-Dealer, RIA*, Osaic and financial professional are compensated when you purchase a commissionable mutual fund, variable insurance product, fixed insurance, a direct or alternative investment, a 529 plan, a unit investment trusts (UITs)(all preceding products referred to as “Packaged Product” or “Packaged Products”), or become an advisory client in an asset management program.

Please review the entire document carefully, and let your financial professional know if you have any questions about the conflicts of interest that apply to your account.

TRANSACTIONS WITH SALES COMMISSIONS

When you make an investment in a Packaged Product outside of an advisory account, you will usually pay a sales commission, which can either be paid at the time of purchase or built into the expense of the product purchased, or charged to you when you sell the investment. The Broker-Dealer is paid by the product company or its affiliates, with a portion of that payment going to your financial professional based upon an established compensation formula that is uniform with regard to similar products. Sales charges, expenses and commissions paid to the Broker-Dealer differ with the type of investment and depends on the amount of money you invest. The Broker-Dealer also receives ongoing or continuing compensation, sometimes referred to as 12b-1 fees, trailing commissions or trails that are intended to compensate the Broker-Dealer for marketing and services provided to your financial professional and you. These 12b-1 fees are deducted from the total assets in a fund and reduce overall investment returns.

ADVISORY ACCOUNTS

If you have an advisory account, you pay asset-based advisory fees or an asset-based fee inclusive of advisory services and transactions. You are not charged sales commissions, and your Broker-Dealer and Investment Advisory Representative do not retain 12b-1 fees, which are

credited to your account. For additional details regarding fees and charges in advisory accounts, please see your advisory services agreement and any associated disclosures.

STRATEGIC PARTNER PROGRAMS (REVENUE SHARING PAYMENTS)

In addition to sales commissions and asset-based fees, Osaic receives compensation (“revenue sharing payments”) from Packaged Product providers or affiliates (“Strategic Partners”). LTAM and LTCO do not participate in the Revenue Sharing Program. For specific information concerning an affiliated broker-dealer’s revenue sharing payments and the identities of the Strategic Partners, please visit the specific Osaic affiliated broker-dealer website, found at www.osaic.com.

CLEARING AND CUSTODIAL FIRMS

Broker-Dealer receives indirect clearing and custodian compensation (“Credits”) from its clearing firm. These Credits are used to offset Broker-Dealer’s general operating expenses. Compensation received consists of a fixed dollar amount per year. Certain custodian fees apply to your accounts. In some instances, we pay a portion of the fee charged. In some instances, we apply a markup to these fees. Examples of instances where a markup fee is applied include, but are not limited to, federal funds wire fees, and other transaction costs assessed by the custodian. Depending on the custodial fee, it is applied annually, per transaction, per month or per CUSIP.

OTHER CASH AND NON-CASH COMPENSATION

In addition to reimbursement of training and educational meeting costs, our representatives receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, third party money managers and Alternative Investment Products, as permitted by regulatory rules. Additionally, sales of any mutual funds, variable insurance products and Alternative Investment Products, whether or not they are those of Strategic Partners, can qualify representatives for additional business support and for attendance at seminars, conferences and entertainment events. From time to time, some non-Strategic Partners attend Broker-Dealer sponsored meetings for a fee.