

REGULATION BEST INTEREST DISCLOSURE

Wealth Enhancement Brokerage Services, LLC

Regulation Best Interest (“Reg BI”) § 240.15l-1, requires Wealth Enhancement Brokerage Services, LLC (“WEBS,” the “Firm,” “we” or “our”) to disclose in writing information about the brokerage services we offer clients. This disclosure summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this disclosure carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us, including our Customer Relationships Summary (“Form CRS”).

Wealth Enhancement Brokerage Services, LLC is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker dealer and is also a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and the Securities Investor Protection Corporation (SIPC). WEBS is also affiliated with Wealth Enhancement Trust Services (WETS), Wealth Enhancement Advisory Services (WEAS), and NorthCrest Asset Management (NCAM) through common ownership. Brokerage services are the primary focus of this disclosure.

This document contains important information about the types of services we offer along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Carefully review and consider the information in each section below.

Brokerage Services

When you establish a brokerage account with us, you can buy, sell, and hold investments within your account. WEBS acts as an introducing broker/dealer, introducing customers on a fully disclosed basis to National Financial Services LLC (“NFS” or the “Clearing Firm”), who holds and maintains brokerage accounts. In other cases, we will facilitate investments in mutual funds, 529 plans, and variable annuities directly with a “Product Sponsor”. Product Sponsors are issuers of securities and include investment companies, insurance companies, and alternative securities issuers. We execute purchases and sales on your behalf as directed by you.

Cash Brokerage and Margin Brokerage Accounts

Through accounts at NFS, we provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of settlement. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, NFS, when the trade is executed. The amount you may borrow is governed by margin rules, as well as the amount of collateral you have available in your account. This is generally referred to as a margin loan. The portion of the purchase price that is loaned to you is secured by securities in your account, also referred to as collateral. You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must expressly select Margin as an optional account feature or execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us.

Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, estate and trust accounts, partnership accounts, 529 accounts, annuities, individual retirement accounts, and other types of retirement accounts as outlined in our account agreement(s). You should refer to the account agreement(s) for more information concerning available account types.

Incidental Brokerage Services, Recommendations, and Account Monitoring

When we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you. It is your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account.

From time to time, we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Clearing Services

We have entered into an agreement with NFS to carry your account and provide certain back-office functions. We and NFS share responsibilities with respect to your account as set forth in the Brokerage Account Customer Agreement that was delivered to you upon opening of your account.

Understanding Risk

It is important for you to understand that trading in securities involves risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your risk tolerance, meaning the amount of risk or loss you are willing and able to accept to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with "Preservation of Capital" and "Income" investors typically holding the smallest percentage of higher-risk investments, followed by "Capital Appreciation" and "Growth and Income" investors holding *some* higher-risk investments, and finally "Trading Profits" and "Speculation" investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies, and we measure it on a continuum that increases from "Conservative" to "Moderately Conservation" to "Moderate" to "Moderately Aggressive" to "Aggressive."

Below is an explanation of the investment objectives for clients opening an account with NFS. As the account owner, it is up to you to select the account's investment objective. Neither we nor NFS can assure you that any given investment or strategy will achieve your investment objective. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Investment Objective	Investment Objective Description
Preservation of Capital	<ul style="list-style-type: none"> • Seek to maintain principal • Interested in investments with very low historical risk of loss of principal
Income	<ul style="list-style-type: none"> • Seek to generate income from investments • Interested in investments with low historical risk of loss of principal
Capital Appreciation	<ul style="list-style-type: none"> • Seek to grow principal value over time • Willing to invest in securities with moderate to above-average historical risk of loss of principal
Speculation	<ul style="list-style-type: none"> • Seek a significant increase in principal • Willing to accept a correspondingly greater degree of risk by investing in securities with high historical risk of loss of principal
Trading Profits	<ul style="list-style-type: none"> • Seek to take advantage of short-term trading opportunities (a high-risk strategy)
Growth and Income	<ul style="list-style-type: none"> • Seek a mix of growing principal value and generating income from investments • Willing to invest in securities with moderate historical risk of loss of principal while having the potential to pay income

Cash Sweep Program Feature

NFS brokerage accounts include a core account that is used for settling transactions and holding credit balances. Credit balances in your core account will be invested in the core account investment vehicle you specify on the NFS new account application, or as subsequently instructed. If you do not select a core account investment vehicle, NFS will use the default option as the core account investment vehicle. This will either be a specific money market mutual fund (in which case you will receive a prospectus for that fund) or a bank sweep product (in which event you will receive a disclosure document describing that product in detail). Different core account investment vehicles have different rates of return, and different terms of condition, such as FDIC insurance or SIPC protection. If we or NFS chooses your core account vehicle sweep, we may not consider these differences when selecting a default core account investment vehicle.

Account Minimums and Activity Requirements

WEBS has no minimum initial account balance required to open a brokerage account. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. NFS may charge an inactivity fee each year unless there is activity in the account, or the account is closed before December 31st.

Brokerage Fees and Our Compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, there are associated fees and costs involved.

Transaction-Based Fees

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (“ETPs”), mutual funds, annuity contracts, exercising options, and other investment purchases and sales. These transaction-based fees are generally referred to as a “commission,” “mark up,” “mark down,” “sales load,” or a “sales charge.”

- Transaction-based fees are based on a host of factors, including:
- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

Aside from the fees we charge you for providing investment recommendations, you will have to pay other fees related to brokerage services. Fees can be charged directly or indirectly. Depending on services selected, direct fees could include postage and handling fees on each transaction, account maintenance fees (including IRA fees) charged by NFS; markups and markdowns; redemption fees; fees associated with checks and wires; transfer fees; Automated Customer Account Transfer (ACAT) fees; IRA termination fees; fees for safekeeping of physical securities; fees on alternative investments; etc. Direct fees will be shown on your trade confirmation and/or brokerage account statement. Indirect fees include internal expenses charged by mutual funds and ETF's (including 12b-1 fees and annual fund operating expenses).

Annual account fees and IRA fees may be charged each year unless waived.

You should understand that, based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. A detailed listing of fees can be found on the Fee Schedule listed on Wealthenhancement.com

How we are Compensated

We receive direct and indirect compensation in connection with your account(s). Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

WEBS and your Registered Representative will receive certain forms of commission in connection with the service provided.

Equity Offerings

A Commission is charged every time a trade is placed and will be disclosed on the trade confirmation.

Option Rates Equity and Index

Option compensation is received as direct compensation.

The commission on an option transaction will be deducted from your account every time an options trade is executed. The amount of the specific option commission will be disclosed on your trade confirmation.

Debt Securities

For debt securities, including corporate bonds, municipal bonds, treasuries and structured products, we may apply a charge (i.e., markup or markdown) to the amount of your secondary market transaction. A ticket fee is applied to treasury bonds, and non-government bonds. The amount of the specific commission, markup or markdown will be disclosed on the trade confirmation.

Certificates of Deposit (CDs)

CD commissions are based on the number of units. The commission may be discounted at the Registered Representative's discretion and the amount of the specific commission will be disclosed on the trade confirmation.

Mutual Funds and 529 Plans

We offer mutual funds through brokerage and 529 accounts in varying share class structure, cost, and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments. In addition to the fees, a ticket charge is applied on most mutual fund transactions including no-load mutual funds. NFS may waive the ticket fee for Fidelity mutual funds. The ticket fee may be discounted at the Registered Representative's discretion, but they cannot discount or waive other fees charged by the mutual fund company, including front-end sales charges, contingent deferred sales charges and 12b-1 fees, as described below. The amount of fees, including any ticket fee, front-end sales charge, and/or contingent deferred sales charge can be found in the mutual fund prospectus and direct fees will be disclosed on the trade confirmation. The fees and costs of mutual funds vary depending on the fund family and share class.

12b-1/Shareholder Distribution Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family on mutual funds including money market funds. These fees can vary depending on share class and are set by the fund. 12b-1 fees may be passed on to us and may in turn be passed on to your Registered Representative as a commission; however other operating expenses of the fund are not paid to us. 12b-1 fees are typically charged on Class A, Class B, and Class C shares and may be charged on other share classes.

Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-end sales charge fees may be charged and paid to us, including your Registered Representative, when you purchase a fund. The front-end sales charge is a direct fee and is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 6.00%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Registered Representative or consult the mutual fund prospectus if you believe you are eligible for sales charge waivers. Front-end Sales Charges are typically charged

on Class A shares and may be charged on other share classes.

CDSC is a direct charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges generally range from 0.00% to 6.00%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Registered Representative. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment value of the fund. CDSC fees are typically charged on Class B shares with a seven-year CDSC period; and on Class C shares with a one-year CDSC period and may be charged on other share classes.

Different fund families offer different share classes, which is why it is important to review the fund prospectus, which outlines the differences between the different share classes available for the respective fund family. The specific breakpoint schedules, front end sales charge, CDSC fee/CDSC period, 12b-1 fee and other operating expenses will be disclosed in the prospectus. You can also find a description of any fees or costs, including the payment frequency in the fund's prospectus. In addition, your Registered Representative can explain the different share class options available, and how the available share classes differ. Fees and expenses disclosed in the fund's prospectus are charged against the investment value of the fund.

Annuities

Annuities may be fixed, index, or variable annuities. Under arrangements with insurance companies, we, including your Registered Representative, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. Specific information regarding commissions and other fees can be found in the annuity prospectus.

Unit Investment Trusts (UITs)

UITs may feature Equity and/or Fixed-Income investments. We, along with your Registered Representatives, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are disclosed in the prospectus issued by the UIT provider. Your Registered Representative can provide you with a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

Revenue Sharing

Revenue sharing may occur from time to time with NFS, our clearing firm, and investment companies. Clients may incur certain charges imposed by third party investments and other third parties. In addition, we share in the revenue of some account maintenance fees, including the annual account fee, returned/bounced check fees, stop payment fees, returned items on legal transfers, and certificates that are transferred and shipped in physical form. The Firm does not limit our recommendations to these products that generate third party payment.

Compensation for Termination of Services

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), the firm would not receive any additional compensation in connection with the termination of its services. However, NFS charges IRA termination fees and account transfer fees when applicable. If you have questions or need additional copies, contact your Registered Representative.

Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially different to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Registered Representatives, our clients, and third parties. We offer a broad range of investment services and products, and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow us, our Registered Representatives, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Registered Representatives receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate, and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, product guides and other information we make available to you.

Compensation we Receive from Clients

Transaction-based conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. When these fees apply, the more transactions you enter, the more compensation that we and your Registered Representative receive. This compensation creates an incentive for us to encourage you to buy and sell, rather than hold, these investments.

Markups and markdowns for principal transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Compensation we Receive from Third Parties

The total amount of payments we receive varies from product to product and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party

compensation we receive include:

- **Revenue Sharing** – We share certain revenue with NFS. This includes margin interest on debit balances, interest earned on credit balances, annual account fees, returned/bounced check fees, stop payment fees, returned items on legal transfers, and certificates that are transferred and shipped in physical form. The higher the fees you are charged, the more we are compensated.
- **Trail Compensation** – Ongoing compensation from Product Sponsors is received by us and shared with our Registered Representatives. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. Products that pay trails include mutual funds, money market funds, and variable annuities. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

Product Share Classes

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

Compensation Involving Affiliates

A potential conflict of interest would occur if Registered Representatives were to recommend an affiliated firm for banking services, trust services or insurance services or if a bank employee were to recommend WEBS for brokerage services. Such referrals result in additional fee payments to the referring party. The obligations and commitments of WEBS do not extend to any affiliated bank or trust company, and any such affiliated company is not responsible for securities bought or sold through WEBS. To mitigate a conflict of interest, WEBS endeavors to refer customers when there is a perceived benefit to the customer. Customers are under no obligation to use the products or services of any affiliated company. The same or similar products and services are available through other companies.

Compensation Received by Registered Representatives

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Registered Representatives are incentivized to recommend that you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, Registered Representatives are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk.

Other Registered Representative Activities

Registered Representatives may be motivated to place trades ahead of clients to receive more favorable prices than their clients. Our written supervisory procedures are designed to assure that the personal securities transactions, activities, and interests of our Registered Representatives will not interfere with making decisions in the best interests of our clients; or implementing such decisions while, at the same time, allowing Registered Representatives to invest for their own accounts. Under the Firm's procedures, Registered Representatives may buy or sell securities that are recommended to clients, subject to certain restrictions. For example, if a Registered Representative trades ahead of their client and receives a better price, a price adjustment will be made for the client. We have procedures to monitor the personal trading activities and securities holdings of each of the Firm's associated persons and include procedures for limitations on personal securities transactions of associated persons. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

Registered Representatives who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Registered Representatives who receive clients from a retiring Registered Representative are incentivized to meet growth goals and may make recommendations not in your best interest.

Additional Resources

Title	Web address
Form CRS	https://wegroup.my.salesforce.com/sfc/p/#41000002kDi0/a/8X000000pUUUm/ibL_OLNJ.Uam35PBn9Tk8dsMeQ41OWQE7OFPcMdlPflc
Wealth Enhancement Website	https://www.wealthenhancement.com/s/

For additional information, you can contact us at 1-800-492-1222.