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REGULATION BEST INTEREST AND ERISA DISCLOSURE

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We provide this required Regulation Best Interest disclosure (the Reg BI Disclosure) to our retail customers to inform them about the services we offer and our relationship with them. This Reg BI Disclosure also provides disclosure required by Employee Retirement Income Security Act of 1974 (“ERISA”) and/or the Internal Revenue Code, as applicable. Among other things, this Reg BI Disclosure addresses the scope and terms of our relationship with you, the capacity in which we are acting, the type and scope of our services, any material limitations on our services, the fees and costs associated with your holdings, accounts, and transactions, and the conflicts of interest that exist for us and our Financial Professionals.

We are providing this Reg BI Disclosure as required under the U.S. Securities and Exchange Commission (SEC) Regulation Best Interest. The SEC rules require broker-dealers and their financial professionals to act in the best interest of customers when making securities recommendations and this best interest standard is the baseline requirement for securities recommendations. If you reside in a state that has an enhanced standard, such as a fiduciary standard, Park Avenue Securities LLC and your Financial Professional shall act in accordance with those enhanced standards. Furthermore, certain portions of this disclosure are intended to comply with requirements under the U.S. Department of Labor’s Prohibited Transaction Exemption 2020-02, specifically; (i) information regarding the scope of services provided, (ii) fiduciary acknowledgement when providing investment advice to retirement plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) or Individual Retirement Arrangements (“IRAs”) as well as recommendations to roll over ERISA retirement plan assets and IRAs into an IRA, or otherwise use ERISA retirement plan assets or IRA assets to fund other securities or insurance products, and (iii) description of the material conflicts of interest under which Park Avenue Securities LLC and your Financial Professional are operating.

1. Scope and Terms of Our Relationship with You

Park Avenue Securities LLC (“the Firm” or “PAS”) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser. PAS is a wholly owned subsidiary of The Guardian Life Insurance Company of America (“Guardian”). Our brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Depending on your needs and your investment objectives, the Firm may assist you with brokerage services, investment advisory services, or both. There are important differences between brokerage and advisory services, including their costs, the services we provide, and the rules that govern them. You should carefully consider these differences when deciding which type, or combination of types, of services and accounts are right for you. Information regarding the differences between our brokerage and advisory services is also available in our Form CRS Customer Relationship Summary disclosure, which is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017965>.

Things to consider when you are deciding between a brokerage relationship or investment advisory relationship:

	Brokerage Services	Investment Advisory Service
Type of service needed	Occasional recommendations on certain investments and execution on your investment decisions	Management of your investment portfolio through ongoing advice and investment services
Frequency of service	Buy a few securities; follow the buy and hold strategy without the need for ongoing monitoring	Frequent trading and rebalancing of your portfolio
Payment arrangement	Commission-based payments on each transaction	Annual fee based upon the amount of assets managed (paid quarterly)

You should discuss the above with your Financial Professional to help you determine what type of service and fee structure is right for you. During that conversation, you should consider the conflicts of interest related to the

service and fee structure you choose (sometimes referred to as “account type” conflicts) that are described on page 18. In addition, you should discuss and revisit this topic with your Financial Professional as needed.

(a) Our Capacity

All recommendations made by your Financial Professional regarding your broker-dealer account (your brokerage account) will be made in a broker-dealer capacity (charging you on a commission basis without any ongoing monitoring), and all recommendations regarding the account established for our advisory programs will be made in an advisory capacity (charging you an ongoing asset-based fee and providing certain ongoing monitoring). However, even though the Firm offers both brokerage and advisory services, some of our Financial Professionals are able to offer only brokerage accounts and services or may be able to offer services only for certain types of investments, such as mutual funds and insurance products (Series 6 licensed only). In that situation, your Financial Professional would not be able to act in an investment advisory capacity (or offer you securities products beyond mutual funds and variable insurance products for Series 6 licensed only Financial Professionals). If your Financial Professional is limited to offering brokerage accounts and services only, he or she will disclose this limitation at the outset of your relationship with us, and before making a recommendation to you.

Broker-Dealer Capacity

In our capacity as a broker-dealer, we can recommend and effect securities transactions for you, including buying and selling securities (including investment funds and products) that can be held in your brokerage account. We offer many different options or account types for your brokerage account, including: accounts held with Pershing LLC, our clearing firm; accounts held directly with the issuer of the securities purchased (sometimes referred to as directly held accounts); education accounts (e.g., 529 savings plans); retirement accounts (e.g., IRA accounts), where your investments will be held with the custodian of the IRA; and certain specialty accounts (e.g., margin accounts).

In addition, we offer the option to hold cash in either money market funds (non-insured) or a bank account insured by the Federal Deposit Insurance Corporation (a “cash sweep vehicle”). We do not have any minimum account requirements for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements. More information about these minimum investment requirements is available in the investment’s offering document or prospectus.

We provide a number of services related to investments in securities, including the following: taking customer orders, executing securities transactions, and providing general information regarding your investments. Our Financial Professionals also provide recommendations concerning whether to buy, sell, or hold securities.

Our Financial Professionals do not make investment decisions for you or manage your brokerage account on a discretionary basis. Because our Financial Professionals do not have discretionary investment authority, this means that we cannot buy or sell investments in your brokerage account without first obtaining your consent. Our Financial Professionals may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments, and we will only purchase or sell investments when specifically directed by you.

Our Financial Professionals also do not monitor your brokerage account after a securities transaction is effected for you, including those investments they recommend.

When we act in our capacity as a broker-dealer, we are subject to the Securities Act of 1933, the Securities Exchange Act of 1934, as amended, the rules of self-regulatory organizations, such as the Financial Industry Regulatory Authority, Inc. (FINRA), and applicable state laws.

Investment Adviser Capacity

As an investment adviser, we provide investment advice to you for an ongoing asset-based fee, including

investment advice with respect to particular investments, as well as wrap programs, whereby you pay a single asset-based fee for investment advisory services and execution of your transactions, and other investment advisory programs whereby we act as co-adviser to another registered investment adviser. We also act as a “solicitor” for advisory services where we refer you to a third-party adviser and play the role of collecting and confirming client profile information and communicating it to the third-party adviser. We also place orders for you as an investment adviser through a brokerage account with us or through a brokerage account at another broker-dealer. When we act in our capacity as an investment adviser, we do so pursuant to a written agreement with you that sets forth the investment advisory relationship and our obligations to you. When we act as an investment adviser to you, we are generally considered to have a fiduciary relationship with you under the Investment Advisers Act of 1940, which requires that we owe you a duty of care and a duty of loyalty. As discussed below, we also act as a fiduciary under ERISA and the Internal Revenue Code in certain circumstances.

Within the wrap fee programs the portfolio managers may employ “trading away” practices, in which they use a broker-dealer other than PAS to execute trades for which a commission or other transaction-based fee is charged, in addition to the single asset-based fee. Although transaction fees are usually included in the wrap program fee, sometimes you will pay an additional transaction fee for investments bought and sold outside the wrap fee program. For more information regarding trade away practices, please go to <https://www.parkavenuesecurities.com>.

At the outset of our investment advisory relationship with you, you will also receive a disclosure document that describes our investment advisory services and includes important information about, among other things, our fees, personnel, other business activities, and conflicts between our interests and your interests. In addition, more information about our investment advisory services, fees and costs, and conflicts of interest is available in our Form ADV, Part 2A brochure, which is available at <https://www.parkavenuesecurities.com/form-adv-brochures>.

Fiduciary Acknowledgement

The following fiduciary acknowledgement applies only when our Financial Professional (i) provides investment advice to participants in or the fiduciaries of ERISA-covered retirement plans and to owners of IRAs, and (ii) recommends to a) participants in ERISA-covered retirement plans to roll over assets into an IRA or b) owners of IRAs to transfer assets to another IRA or c) otherwise use ERISA retirement plan assets or IRA assets to fund other securities or insurance products.

When we provide investment advice to you regarding your retirement plan account or IRA, we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Fiduciary status for this purpose does not necessarily mean we are acting as fiduciaries for purposes of other applicable laws. This acknowledgement of fiduciary status does not confer contractual rights or obligations on you, the Firm, or the Financial Professional.

(b) Type and Scope of Services

Brokerage Services

Our Financial Professionals can recommend, and we can effect securities transactions for you, including the buying and selling of securities (including investment funds and products) that can be held in brokerage accounts, which may include accounts held with our clearing firm, directly held accounts (accounts held with the product sponsor or product issuers), education accounts (i.e., 529 savings plans), IRA accounts, or margin accounts.

We also offer the option to hold cash in a cash management sweep vehicle. A cash management sweep is a service provided by PAS where it offers you the option to automatically transfer free credit balances in your brokerage account to either a money market fund product or an account at a bank whose deposits are insured by the Federal Deposit Insurance Corporation. Different cash management sweep vehicles have different rates of return and different terms and conditions as detailed in their prospectus, offering documents and/or program brochure.

In addition, the type and scope of the brokerage services we offer include a number of services related to investments in securities, including the following: taking customer orders, executing securities transactions, and providing general information regarding your investments.

Our brokerage services include recommendations concerning whether to buy, sell, or hold securities. Our services also include recommendations of investment strategies involving securities, which includes recommendations of account types, and rollovers or transfers of assets, such as rolling over retirement plan assets into an IRA account. In addition, our brokerage services include certain margin account services, where you are extended credit (a loan) for the purpose of buying securities.

In addition, more information about our brokerage services, cash management sweep program, fees and costs are available in our brokerage account customer agreement, which is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017982>.

Account Types

In order to receive any of our brokerage services described above, you must first open an account with us. Our brokerage account(s) and products made available to customers ("Retail Platform") offers an array of account types with different features and benefits that are intended to address different needs and objectives of our retail customers. When opening an account with us, you may choose between many different options or account types for your brokerage account, including: accounts held with our clearing firm; directly held accounts; education accounts (e.g., education savings plans); retirement accounts (e.g., IRA accounts); and certain specialty accounts (e.g., margin accounts).

In addition, our accounts offer certain cash management features, including the option to hold cash in a cash sweep vehicle. Our cash sweep vehicles allow you to hold your cash in money market funds (non-insured) or bank accounts insured by the Federal Deposit Insurance Corporation. We also offer margin accounts.

More information about our available account options, including the key features and benefits of each available account option, is available at <https://www.parkavenuesecurities.com/objective-wealth-management-solutions>.

In addition, before deciding whether to open an account with us, you will want to discuss our account options with your Financial Professional to decide which account type best fits your financial goals.

Our Investment Philosophy

The Firm's target market is middle income to high income retail customers who are primarily seeking to invest to meet retirement, education, capital preservation and other similar funding goals, and secondarily to invest for legacy purposes. The Retail Platform includes traded investments (i.e., stocks and bonds), investment funds and products, annuity products and investment strategies believed to be in the best interest of the Firm's customer base.

We require our Financial Professionals to have a reasonable basis, taking into account the potential risks, rewards, and costs associated with a recommendation, to believe that each recommendation made to a retail customer is in the retail customer's best interest, and does not place the interest of the broker-dealer or Financial Professional ahead of the interest of the retail customer at the time the recommendation is made.

In determining whether our Financial Professional's recommendation is in the retail customer's best interest, we consider the retail customer's individual investment profile. The information in the retail customer's investment profile includes, but is not limited to, the retail customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other information that the retail customer may disclose to us or the Financial Professional in connection with a recommendation.

(i) Material Limitations

Although PAS implements a due diligence process which may limit certain products and services based upon whether such product or service is suitable for at least some of the Firm's customers (i.e., Firm level reasonable basis diligence), given the wide range of our brokerage products and services, we do not have many material limitations on the type and scope of our products or services. For instance, we do not limit our investment offerings to specific asset classes, or investments with third-party arrangements such as revenue sharing payments or mutual fund shareholder servicing fees. While we do offer variable annuity products issued by an affiliate, The Guardian Insurance & Annuity Company, Inc., and variable life insurance issued by the Firm's parent company, The Guardian Life Insurance Company of America ("Guardian"), we do not limit our investment offerings to affiliated products only or a select group of issuers. Finally, we do not have any minimum account requirements, although some of the investments you can purchase through us have minimum investment requirements.

Notwithstanding the wide range of our brokerage services, there are certain material limitations on our services and the services of our Financial Professionals, and these limitations are set forth below.

- **Financial Professional Limitations:** Not all of our Financial Professionals can offer the full range of investments and services we offer. For instance, some of our Financial Professionals are licensed to offer brokerage services only, whereas some of our other Financial Professionals are licensed to offer both brokerage and advisory services. In addition, some of our Financial Professionals are licensed to offer only certain types of investments, such as mutual funds and variable annuities (i.e., Series 6 licensed only), and are unable to offer the full range of investments we make available, including stocks and bonds (i.e., Series 7 licensed).
 - This is a material limitation on the securities or investment strategies that your Financial Professional may recommend to you, and you should discuss any such limitations with your Financial Professional. In addition, you may research your Financial Professional's experience and licenses on FINRA's BrokerCheck website at <https://www.finra.org/#/IndividualList>.
- **Investment Limitations:** While we offer a wide range of investments, including investment funds and products, there are certain types of investments we do not offer. For instance, we do not offer all mutual funds or variable life insurance and annuities from every single mutual fund company or insurance company issuer, or every type of exchange traded fund (ETF) from every ETF issuer. We also do not offer every type of product associated with an education savings plan. This means that our Financial Professionals are limited to recommending only those investments that we are authorized to offer. This is a material limitation on the securities or investment strategies that our Financial Professionals may recommend to you.
- **Account Monitoring:** Unless specifically required under state law, our Financial Professionals do not monitor your brokerage account after effecting a securities transaction for you, including those investments our Financial Professionals recommend. While our Financial Professionals remain available to assist you, they do not automatically monitor your account or your investment performance after effecting a securities transaction. This is a material limitation on our services and the services of our Financial Professionals.
- **Discretionary Investment Authority:** Our Financial Professionals do not make investment decisions for you or manage your account on a discretionary basis. Because our Financial Professionals do not have discretionary investment authority, this means that we cannot buy or sell investments in your account without first obtaining your consent. Our Financial Professionals may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments, and we will only do so when specifically directed by you. This is a material limitation on our services and the services of our Financial Professionals.
- **Discounted Commissions:** We are a full-service brokerage firm and are not a "discount" brokerage firm. Given the wide range of brokerage services we and our Financial Professionals offer you as a full-service brokerage firm, we do not offer discounted brokerage commissions. This is a material limitation on our services. However, you may be able to individually negotiate reduced commission fees on

certain products sales (i.e., stocks and bonds) with your Financial Professional.

(c) Fees and Costs

This section provides information about the material fees and costs associated with your account, transactions, and holdings. Because our fees vary depending on the specific transaction or service provided, the information below first describes the fees and costs associated with your account, and then the fees and costs associated with transactions and investment holdings that our Financial Professionals may recommend.

(i) Fees and Costs Associated with Accounts

You must first open an account with us to use our brokerage services. Our Retail Platform offers an array of account types with different features and benefits that are intended to address different needs and objectives of our retail customers. When opening an account with us, you may choose between many different options or account types for your brokerage account, including: accounts held with our clearing firm; directly held accounts; education accounts (e.g., 529 savings plans); retirement accounts (e.g., IRA accounts); and certain specialty accounts (e.g., margin accounts, non-purpose lending accounts and accounts with banking features such as check writing).

Depending on the type of account you open, you will pay certain fees and costs associated with your account and holdings. Unlike the transaction-based fees described below, the fees associated with your account and holdings are typically paid annually, although some account-based fees are associated with specific transactions. In some cases, the fees and costs associated with your account and holdings are assessed indirectly by third parties, such as custodial firms or clearing firms, and then we pass along a portion of these fees to you.

Highlighted below are the types of material fees and costs associated with your account. This is a representative list and does not disclose the entirety of the material fees and costs:

- *Account Maintenance Fees* – We charge you an annual “account maintenance fee” for maintaining your brokerage account with us. This account maintenance fee compensates us for certain maintenance services that we provide to your brokerage account and reimburses us for certain operational expenses that we incur in maintaining your account with us.
- *Account Transfer Fees* – We charge you a one-time “account transfer fee” to reimburse us for the costs associated with transferring your account to another broker-dealer. The account transfer fee includes fees associated with the Automated Customer Account Transfer System, commonly referred to as the ACAT fee.
- *IRA Account Termination Fees* – We charge you a one-time “account termination fee” on IRA accounts to reimburse us for the costs associated with terminating your IRA account with us.
- *Margin Fees* – We charge you for our margin services, where our clearing firm extends credit (a loan) to you for the purpose of buying securities. Margin fees, which are typically the interest associated with the margin loan, compensates our clearing firm and us for the cost and risk of lending money to you.
- *Non-Purpose Lending Fees* – We charge you for our non-purpose lending services, where our clearing firm extends credit (a loan) to you for the purposes other than the purchase of additional securities. Non-purpose lending fees, which are typically the interest associated with the non-purpose loan, compensates our clearing firm and us for the cost and risk of lending money to you.
- *Wire Transfer Fee* – We charge you a one-time “wire transfer fee” to wire cash from your account to another account held outside our firm.

More Information

Information about the actual range of fees and costs mentioned above and associated with your account is available in the schedule of fees and costs in your brokerage agreement with us and is also available on our website at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017964>.

(ii) Fees and Costs Associated with Transactions and Holdings

We are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a “commission,” but it may also be called a “sales charge” or a “markup.” This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments. The commission rate or amount varies depending on the investment and the size or amount of the transaction. More information about commission payments, including the commission schedules we use, is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017964>.

In addition, investments that are interests in investment funds, such as mutual funds or other products, such as education savings plans and variable insurance products, bear ongoing fees and expenses that are embedded into the cost of the investment holding. You pay these ongoing fees and expenses indirectly because they are factored into the cost of the investment. More information about ongoing fees and expenses associated with investment funds and variable insurance products is available in the fund or product prospectus and at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

Because the fees and costs vary among investments, we are providing hypothetical examples on fee and cost information regarding the types of transactions and investment holdings generally purchased or traded by our retail customers and sample fee tables for illustrative purposes. Please note that fees and costs associated with your specific transaction may differ from these hypothetical examples or samples. More information about fees and costs associated with each of the product types below, is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

The below is a list of product types that represent the core products sold at the Firm. It is not a complete list of all product types sold. Information about all product types sold at the Firm is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

Equities

Characteristics

The Firm offers a wide range of equity securities, which give stockholders a share of ownership in a company. Stocks usually are one part of an investor’s holdings. Before deciding to buy or sell an equity security, such as a publicly traded company, it is important for you to evaluate the risks associated with the company.

Fees and Costs

Buying and selling stocks entails fees. You will typically pay a commission based on the transaction amount plus incur a flat transaction fee every time you buy or sell an equity security. You will pay this commission in addition to the price you pay for the equity security you choose to buy or sell. Our firm is not a “discount” broker-dealer; discount broker-dealers generally offer lower commission rates.

For example, if you purchase \$100,000 of shares in a public company, you will typically pay a \$800 commission (\$100,000 x .75% commission fee, plus \$50 transaction fee). If you purchase \$10,000 shares in a public company, you will typically pay a \$170 commission (\$10,000 x 1.2% commission fee, plus \$50).

More Information

You can obtain information regarding the specific fees and costs of this product at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017964>. You may also obtain information about equity securities generally by visiting the SEC’s website at <https://www.investor.gov/introduction-investing/investing-basics/investment-products>.

Bonds

Characteristics

The Firm offers a wide range of bonds, such as corporate bonds, U.S government bonds, and municipal bonds. Bonds are debt securities issued by corporations, governments, or other entities that pay fixed or variable interest rates to investors for a specific period of time. There are many types of bonds and the features, characteristics, and risks associated with bonds can vary significantly.

Fees and Costs

With most bonds, instead of charging you a commission to perform the transaction for you, the broker-dealer marks up the price of the bond to above its face value (for a purchase) or marks down the price (for a sale). When you buy or sell bonds through a broker-dealer on the secondary market, the bonds will have price markups or markdowns, this is how broker-dealers are compensated for maintaining an active secondary market. The markup or markdown thus represents the difference between the price a broker-dealer pays for a bond and the price at which it is sold to you by the broker-dealer and vice versa for a sale.

With new issues of bonds, the broker-dealer's markup generally is included in the par value, so you do not pay separate transaction costs. Everyone who buys a new issue pays the same price, known as the offering price. If you are interested in a new issue of a bond, you can get an offering document describing the bond's features and risks.

Part of the profit earned by the clearing firm in marking up and marking down bond prices is shared with us for acting as the introducing broker-dealer on the transactions.

The amount of a markup/markdown charged on a bond transaction will depend on a number of factors and particular circumstances for each transaction, including the type of bond (corporate, government, or municipal), transaction size, credit quality, unit price, maturity, liquidity, and market scarcity.

For example, if you purchase 100 corporate bonds priced at \$100 per bond, and the markup is \$1 per bond, you would pay \$10,000 for the market price of the bond and then an additional \$100 markup, which means you would pay \$10,100 in total to purchase the corporate bonds.

More Information

More information describing a specific bond's features and risks is available in the bond's offering document. More information about bonds, including pricing and issuer credit ratings, is also available on FINRA's website at <https://www.finra.org/investors/learn-to-invest/types-investments/bonds>. In addition, more information about government bonds is available on the Municipal Securities Rulemaking Board's (MSRB) website at <http://www.msrb.org/EducationCenter.aspx>.

You can obtain information regarding the specific fees and costs of this product as well as additional features, characteristics and risks at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

Options

Characteristics

The firm offers option contracts for you to buy or sell. Options are contracts that give you the right, but not the obligation, to buy or sell an underlying asset at a fixed price within a certain period of time. Various exchanges operating in the United States and regulated by the SEC offer public trading markets where different types of options are bought and sold, such as equity, index, and interest rate options.

Prior to buying or selling options, you will receive a copy of the "Characteristics & Risks of Standardized Options," also known as the options disclosure document (ODD). Investors should read a copy of the ODD prior to buying or selling an option. The ODD contains required disclosure of the characteristics and risks of standardized option contracts.

Fees and Costs

You will typically pay a commission every time you buy or sell an option contract. You will pay this commission in addition to the premium associated with the option contract, which you will pay regardless of whether you choose to exercise the option to buy or sell the underlying asset. The commission is a one-time fixed fee per contract. The premium is not a standardized term of the option contract. The premium does not constitute a “down payment.” The premium is a non-refundable payment and is in addition to the commission.

For example, if you purchase the option to buy 100 shares of a public company, you will typically pay a \$284 commission (100 x \$2.50 fee per contract, plus \$34 flat fee, regardless of whether you choose to exercise the option).

More Information

More information about option contracts, including the commission payments associated with them, is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>. In addition, the options disclosure document referenced above is available at <https://www.theocc.com/about/publications/character-risks.jsp>.

Mutual Funds

Characteristics

The Firm offers a wide range of mutual funds from many different mutual fund companies. Mutual funds are registered investment companies that issue redeemable securities. Mutual funds issue shares on a continual basis, and there is no secondary trading market for mutual fund shares. Mutual funds are required to sell their shares at the fund’s net asset value (NAV) per share plus any applicable sales charge or load. The fund’s NAV is calculated by dividing the total value of all the fund’s assets, minus any liabilities such as ongoing fees and expenses (described below), by the number of shares outstanding.

Fees and Costs – Generally

You will typically pay a sales charge or load when you buy shares in a mutual fund. We receive a portion of this sales charge for our efforts, and the efforts of our Financial Professionals, in selling shares of the mutual fund.

Most mutual funds utilize multiple share classes, with differing fees and expenses for distribution and shareholder services. Though there are many different types of share classes, the most common share classes available to you are Class A, Class C, and Class R. Each class typically has different fees and costs, and therefore fund performance results will differ as those fees and expenses reduce performance across share classes. You should also note that the amount of time you expect to hold your investment in a mutual fund may play an important role in determining which share class is most appropriate for you, and you should discuss this consideration with your Financial Professional.

Below are some basic descriptions of the most common share classes available to you:

For example, if you purchase \$10,000 of Class A shares of a mutual fund that assesses a 5.75% front-end sales charge on your investment, you will pay a \$575 front-end sales charge and the remaining \$9,425 of your investment will be used to purchase Class A shares of the mutual fund.

For example, if you purchase \$10,000 of Class C shares of a mutual fund with a 1% asset-based sales charge, you will not pay a front-end sales charge or a CDSC, so the entire \$10,000 investment will be used to purchase Class C shares of the mutual fund at the time of purchase. However, each year your investment will be charged a 1% asset-based charge, so your initial \$10,000 investment will be reduced to \$9,900 after the first year as a result of the asset-based sales charge, assuming no appreciation of the shares in that one-year period.

For example, if you purchase \$10,000 of Class R shares of a mutual fund through your employer-sponsored retirement plan, you will not pay a front-end sales charge or a CDSC, so the entire \$10,000 investment will be used to purchase Class R shares of the mutual fund at the time of purchase. However, certain ongoing fees and expenses, such as 12b-1 fees, will be deducted from your investment. If the ongoing fees and expenses are .50%, your \$10,000 investment will be reduced to \$9,950 after the first year as a result of the ongoing fees and expenses.

Fees and Costs – Breakpoints

While it may make sense to own mutual funds from different mutual fund companies, it also may increase the total sales charges that you pay to purchase those mutual funds. Mutual fund companies often offer discounts or reduced sales charges based on the total amount you choose to invest with the mutual fund company. The investment levels needed to receive these discounts are known as “breakpoints.” Mutual fund companies typically allow you to combine holdings with those of immediate family members to reach these breakpoints.

Set forth below are some common ways you can receive the benefits of breakpoints.

- *Rights of Accumulation*: “Rights of accumulation” allow you to combine your mutual fund purchase with your existing investment in the mutual fund company to reach a breakpoint.
- *Letter of Intent*: You can take advantage of breakpoints by agreeing to purchase a certain dollar amount in a mutual fund over a specified period of time. In most instances, this requires signing a “Letter of Intent” (LOI).

The prospectus of every mutual fund describes its breakpoint policies, including how you can reach breakpoints. You can request a copy of a mutual fund’s prospectus from your Financial Professional.

Fees and Costs – Ongoing Fees and Expenses

In addition to the mutual funds’ ongoing 12b-1 fees, which are intended to finance distribution activities such as marketing and advertising expenses, mutual funds typically also deduct other ongoing fees and expenses, such as management fees or servicing fees, from fund assets. These ongoing fees and expenses are typically used to pay for the mutual fund’s continued annual operating expenses (these ongoing fees are sometimes referred to as the mutual fund’s “expense ratio”), such as paying the mutual fund’s investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. These ongoing fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis. These payments, as well as the conflicts of interest associated with them, are described more fully below in this Reg BI Disclosure.

Fees and Costs – Revenue Sharing

Some mutual fund companies also pay PAS revenue sharing. The revenue sharing payments are usually calculated as a percentage of purchases by our retail customers, a percentage of the assets under management held by our retail customers, or both. The percentage paid can vary from mutual fund company to mutual fund company. Some mutual fund companies additionally or alternatively make contributions to cover the costs of the business meetings and events that we hold for our financial professionals. More specific information on these payments can be found at <https://www.parkavenuesecurities.com/legal/mutual-disclosure>.

More Information

More general information about mutual funds, their applicable fees and costs as well as the benefits and features of share classes and their costs, is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017966-MF>. You can also request a copy of a mutual fund’s prospectus from your Financial Professional for detailed information about the specific mutual fund.

More information about the commission payments associated with mutual funds, is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

Closed-End Funds

Characteristics

The Firm also offers a limited suite of closed-end funds, including interval funds, from a limited set of fund companies. An important aspect of closed-end fund investing is to read the fund's prospectus carefully before investing. Each closed-end fund prospectus contains important information that will help you make an informed decision about an investment in a closed-end fund. In deciding whether to invest in a closed-end fund, you should consider several different factors, including the fund's investment objective, investment strategies and risks, the investment adviser responsible for the management of the fund's assets, and the fees and expenses associated with an investment in a particular closed-end fund.

Similar to mutual funds, closed-end funds are pooled investment vehicles. However, there are some important differences between these types of funds.

Unlike mutual funds, most traditional closed-end funds do not continuously offer their shares for sale. Instead, such funds typically sell a fixed number of shares through an initial public offering, after which their shares typically trade on a secondary trading market. The price of shares in a closed-end fund that trades on a secondary market after their initial public offering is determined by the market and may be higher or lower than the shares' NAV. In addition, there are certain non-traded closed-end funds that do sell their shares on an ongoing basis, and do not trade on a secondary trading market.

The shares of an interval fund typically do not trade on a secondary market and interval funds generally offer their shares on a continuous basis at a price based on the fund's NAV. In order to operate as an interval fund, the fund must offer to repurchase its shares at regular intervals every three, six, or twelve months, as disclosed in the fund's prospectus. The price that interval fund shareholders receive on a repurchase will be based on the per share NAV determined as of a specified date, minus any redemption fees or charges that may apply to the transaction.

Fees and Costs

You will typically pay a commission if you buy and sell shares in a closed-end fund in a secondary trading market. You will pay this commission in addition to the amount of the fund you choose to buy or sell. For a closed-end fund transaction in the secondary trading market, the commission is a one-time fee, which is typically \$50 per trade plus an additional charge based on a percentage (between .75% and 1.4%) of the total transaction. The commission is a separate charge from the purchase or sale amount.

For example, if you purchase \$100,000 of shares in the initial offering of a closed-end fund that assesses a 4.5% sales charge on your investment, then a \$4,500 sales charge will be deducted and the remaining \$95,500 of your investment will be used to purchase shares in the closed-end fund's initial offering. If you purchase \$100,000 of shares in a closed-end fund on a trading market, you will typically pay a \$1,250 commission (\$100,000 x 1.2 commission fee, plus \$50 transaction fee).

Some interval funds also charge you a redemption charge when you accept an interval fund's offer to repurchase your shares. This redemption charge is a one-time fixed fee, typically 2% of the redemption proceeds. Unlike the sales charges and commissions, the redemption charge is not paid to us, but is paid to the fund to compensate it for expenses associated with the repurchase.

For example, if you own \$10,000 of shares in an interval fund that assesses a 2% redemption charge, and you accept an interval fund's offer to repurchase all of your shares, a \$200 redemption charge will be deducted and you will receive the remaining \$9,800 as your redemption proceeds.

Closed-end funds, including interval funds, also deduct other ongoing fees and expenses, such as management fees, from fund assets. In addition, the ongoing fees and expenses of many interval funds include 12b-1 fees, and these 12b-1 fees are intended to finance distribution activities intended primarily to result in the sale of additional shares of the interval fund, and include marketing and advertising expenses. These ongoing fees and expenses, which are reflected in the fund's overall expense ratio, are typically used to pay for the fund's continued operations, such as paying the fund's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses.

These ongoing fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis. These payments, as well as the conflicts of interest associated with them, are described more fully below in this Reg BI Disclosure.

More Information

More information on the sales charges, ongoing fees and expenses, and overall expense ratio for closed-end funds, including interval funds, is available in the fund's prospectus. You can request a copy of a closed-end fund's prospectus from your Financial Professional.

Exchange-Traded Funds

Characteristics

The Firm offers a wide range of exchange-traded funds (ETFs). ETFs are investment funds that are listed for trading on a national securities exchange and can be bought and sold in the equity trading markets. Shares in the ETF represent an interest in a portfolio of securities.

Similar to mutual funds, an ETF pools assets of multiple investors and invests those pooled assets according to its investment objective and investment strategy. ETFs also continuously offer their shares for sale like mutual funds. In addition, and unlike mutual funds, the ETF's shares trade on a secondary market and may trade at prices higher or lower than the fund's NAV.

Fees and Costs

You will typically pay a commission, which shall vary depending on the size of the transaction, every time you buy or sell shares in an ETF. You will pay this commission in addition to the amount of the ETF you choose to buy or sell.

For example, if you purchase \$100,000 shares in an ETF, you will typically pay a \$800 commission (\$100,000 x .75% commission, plus \$50 flat transaction fee). If you purchase \$10,000 shares in an ETF, you will typically pay a \$170 commission (\$10,000 x 1.2%, plus \$50).

ETFs also deduct ongoing fees and expenses, such as management fees, from ETF assets. These ongoing fees and expenses are typically used to pay for the ETF's continuing operations, such as paying the ETF's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. However, ETFs generally have lower expense ratios than mutual funds because most ETFs are not actively managed and, therefore, do not incur the internal costs of buying and selling the underlying portfolio securities.

More Information

More information about ETFs, including their ongoing fees and expenses and overall expense ratio is available in the ETF's prospectus. You can request a copy of an ETF's prospectus from your Financial Professional.

In addition, more information about ETF commissions is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017964>.

Education Savings Plans

Characteristics

The Firm offers various education savings plans, which are a type of “529 plan.” 529 plans are tax-advantaged and state-sponsored investment programs designed specifically for education savings and named after the section of the Internal Revenue Code that authorized them.

Education savings plans are securities that allow investment earnings to grow tax-deferred, and withdrawals are exempt from federal taxation when used for qualified educational expenses. Withdrawals from education savings plan accounts can generally be used at any college or university, including sometimes at non-U.S. colleges and universities. Education savings plans can also be used to pay up to \$10,000 per year per beneficiary for tuition at any public, private or religious elementary or secondary school. Education savings plans generally operate through state-sponsored trusts and permit investors to allocate contributions to one or more trust portfolios or “investment options” offered in the plan. Every state offers at least one type of 529 plan.

Fees and Costs

You often will typically pay a sales charge when you purchase an education savings plan. We receive a portion of this sales charge for the sales and related services we provide to the primary distributor of the education savings plan.

Most education savings plans offer multiple units (often called share classes), similar to the share class structure offered by many mutual funds. Though there are several types of education savings plan share classes, the most common share classes available to you are Class A, Class B, and Class C. Each class typically has different fees and expenses, and therefore investment option performance results will differ as those fees and expenses reduce performance across share classes. You should also note that the amount of time you expect to hold your investment in an education savings plan may play an important role in determining which share class is most appropriate for you, and you should discuss this consideration with your Financial Professional.

For example, if you purchase \$10,000 of Class A shares of an investment option for an education savings plan that assesses a 5% front-end sales charge on your investment, then you will pay a \$500 front-end sales charge and the remaining \$9,500 of your contribution will be used to purchase Class A shares of the investment option.

For example, if you purchase \$10,000 of Class C shares of an investment option of an education savings plan with a 1% asset-based sales charge, you will not pay a front-end sales charge or a CDSC, so the entire \$10,000 contribution will be used to purchase Class C shares of the investment option at the time of purchase. However, each year your contribution will be charged a 1% asset-based charge, so your \$10,000 contribution will be reduced to \$9,900 after the first year and so on year after year, assuming no appreciation or depreciation of the shares in that one-year period.

In addition to these sales charges, education savings plans typically deduct certain ongoing fees and expenses from each investment option, such as program management and maintenance fees, from assets in the investment options. You pay these fees and expenses indirectly as they are deducted from your investment option assets, or the assets of underlying mutual funds, on an ongoing basis.

More Information

More information on the sales charges and ongoing fees and expenses is available in the education savings plan’s offering document, which you can request from your Financial Professional. More information about share classes, their applicable fees and costs as well as the benefits and features of share classes, is available <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017966-MF>.

Variable Products

Characteristics

The Firm offers variable annuities and variable life insurance policies (variable products). These variable products are issued by different insurance companies and will be in the form of a contract or policy between you and the insurance company. There are differences from one variable product to the next in the features, benefits, fees and costs of the product and in minimum and maximum premium amounts.

Variable annuities can help with saving for retirement. Funds invested in these annuities can grow tax-deferred. This means you will pay no federal taxes on the income and investment gains on the funds you invest in your annuity until you make a withdrawal, receive income payments, or a death benefit is paid. When you withdraw your funds, however, you will pay tax on the gains at ordinary federal income tax rates rather than lower capital gains rates. When you start taking income payments, you can select payment options that will guarantee you payments for so long as you live. Some annuities offer additional features and guarantees, available as options or riders.

Variable life insurance provides life insurance protection (i.e. a death benefit) and also allows you to build up a cash value that can grow tax-deferred. Most variable life insurance policies allow you to take out loans against your cash value and to make withdrawals (so long as the remaining cash value is sufficient to keep the policy in force). You can also terminate your policy by surrendering it and receiving the remaining cash value. Terminating your policy will terminate your death benefit protection. Most insurance companies offer riders and other options with their variable life insurance policies, such as disability insurance, income benefits or accelerated death benefits.

When you purchase a variable annuity or variable life product, your insurance premium contributions (net of any fees and charges deducted from premiums) are invested in the investment options – typically underlying mutual funds – that you select. The value of your investment – usually referred to as your cash value -- will fluctuate as the values of the underlying mutual funds increase or decrease.

Variable products are not short-term savings vehicles. Withdrawing funds or surrendering a variable product in the short-term after purchase will likely trigger surrender fees and charges and may also trigger tax penalties. You can lose the money you invest in variable products, including potential loss of your initial investment, due to poor performance of the investment options you select and/or the cumulative impact of fees and charges on your cash value.

More information about the particular features, benefits, fees and costs for variable products can be found at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>. More detailed information about specific variable products can be found in the prospectus for that product. You will receive a copy of the prospectus for the variable product that your Financial Professional recommends to you.

Fees and Costs – Premium Payment Deductions

In the case of some variable products, the insurance company deducts a fee from your premium payment, with the effect that only the net premium amount is invested or allocated. In the case of variable annuities, the fee deduction is usually to cover a state insurance premium tax. In the case of variable life products, the fee deduction can also cover the insurer's sales expenses.

Fees and Costs – Surrender and Withdrawal Charges

Most variable products impose a surrender charge if you surrender your variable product or make a withdrawal of your cash value during the surrender charge period. This surrender charge and the surrender period are described in the product prospectus. Surrender charge periods vary by variable product but are generally around 6 to 8 years for variable annuities, even though they sometimes may range up to 15 years on some variable life insurance policies.

The surrender charges also vary by variable product, and generally begin around 7% of the purchase payment

in year one and end around 1% of the cash value in the final year of the surrender charge period. Typically, the surrender charges decrease over the duration of the surrender charge period, with the higher surrender charges applying to surrenders and withdrawals made at the beginning of the surrender charge period, and the lower surrender charges applying to surrenders and withdrawals made towards the end of the surrender charge period. Tax penalties can also apply to surrenders or withdrawals under annuities made before age 59-1/2.

Fees and Costs – Ongoing Fees and Expenses

Insurance companies deduct fees and expenses from your cash value to cover fees and expenses. These ongoing fees and expenses commonly include mortality and expense (M&E) risk fees, cost of insurance fees (assessed under variable life insurance policies), administration fees, transaction fees, and fees associated with certain optional riders. In addition, you will indirectly pay the ongoing fees and expenses for the mutual funds that are the underlying investment options for the variable product in which you invest. These fees and expenses are separate from the fees charged by the insurance company and will be reflected in the performance of the underlying investment options. These ongoing fees and expenses include the mutual fund's management fees, servicing fees, and 12b-1 fees, and are typically as an annualized rate charged against fund assets.

The commissions, surrender charges, and ongoing fees and expenses associated with variable products vary by insurance company and the type of variable product. More information regarding the commissions, surrender charges, and ongoing fees and expenses for variable products is available in the variable product's prospectus.

Fees and Costs – Our Commissions

When you purchase a variable product, the issuing insurance company will pay a commission to us. While you do not pay this commission directly, the insurer factors this commission into the product's fees and costs in the case of variable products. In this way, you indirectly pay the commission. We receive this commission for our sales efforts and for assisting you with the insurance application, and the underwriting and delivery processes related to the purchase of a variable product. We share a portion of this commission with your Financial Professional.

Insurance commissions we receive vary based on the variable product and insurance company, and we receive higher commissions for some types of variable products than for others, which creates a conflict of interest for us. In addition, in the case of life insurance, the commissions may vary between initial premium payments and subsequent premium payments. Although insurance commissions vary, commissions to PAS and your Financial Professional consists of both up-front and trail commissions paid by the issuing insurance company based on a percentage of the total premium payments. For more detailed information regarding variable product commissions please go to <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

For example, if you purchase a \$100,000 variable annuity from an insurer that pays us a 6% commission, we will receive, and you will indirectly pay, an initial commission of \$6,000. If you contribute another \$50,000 to your variable annuity contract as an additional payment, we will receive, and you will indirectly pay, a subsequent commission of \$3,000.

Fees and Costs – Marketing Expenses and Allowances

Some insurance companies also pay us a marketing allowance for our marketing activities on their behalf. The marketing allowances are usually calculated as a percentage of new sales (premiums paid by our retail customers), a percentage of the cash value in variable products held by our retail customers, or both. The percentage paid varies from insurer to insurer. Some insurers additionally or alternatively make contributions to cover the costs of the business meetings and events that we hold for our financial professionals. Not all of the insurers on our Retail Platform make these payments. More specific information on these marketing allowances can be found at <https://www.parkavenuesecurities.com/legal/annuities-disclosure>.

Marketing representatives of insurance companies or their affiliated distributors, often referred to as “wholesalers,” work with our Financial Professionals to promote their variable products. These insurance companies and their wholesalers may pay for or provide training and education programs for our Financial Professionals. Insurance companies and their wholesalers may provide small gifts to or business entertainment with our Financial Professionals, may cover expenses with our financial professionals attending business meetings they sponsor, and may provide financial assistance to Financial Professionals for their marketing events and activities.

You do not pay these marketing expenses directly. However, the marketing expenses are built into the pricing of the variable product, so you indirectly pay for the cost of the marketing expenses, such as training and education programs for our Financial Professionals sponsored by the insurance company and their wholesalers.

More Information

More information about variable products, including the insurance commissions and other fees and expenses built into the cost of the insurance, is available in the variable product’s prospectus. You can request a copy of a variable product’s prospectus from your Financial Professional. More general information about variable product commissions and costs is available at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017969>.

In addition, more information on the mutual funds underlying the variable product’s investment options, including the mutual fund’s ongoing fees and expenses and overall expense ratio, is available in the mutual funds’ prospectuses. You can request a copy of underlying mutual fund prospectuses from your Financial Professional.

Structured Notes and CDs

Characteristics

Structured products are complex products and higher risk investments that are not appropriate for many investors. Structured products are securities whose value is based upon or derived from the price of another asset, such as equity indexes, a single equity security, a basket of equity securities, interest rates, commodities, and/or foreign currencies. Thus, an investor’s return is “linked” to the performance of the applicable reference asset or index. Structured products frequently limit the upside participation in the reference asset and are generally unsecured debt of the issuer and subject to credit risk. The commissions to purchase Structured Notes and CDs are typically higher than other types of investments. Structured Notes have a fixed maturity and have two components – a bond component and an embedded derivative feature. In the case of Structured CDs, the bond component is a bank issued CD. Although Structured Products allow retail investors to participate in investment opportunities that are not typically available, these securities are often very complex and have significant risk. For example, the price you pay for a Structured Note or CD when issued will likely cost more than that security’s fair market value at time of issuance, meaning the estimated value of the security (which is not guaranteed and often difficult to gauge) will be a larger portion of the securities value and the expected return. Also, Structured Products may have restrictions or limits on returns so that it is possible to lose money, not gain at all, or gain little even if the underlying reference asset or index goes up. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Some structured notes offer full protection of the principal invested, others offer only partial or no protection. Where protection exists, the return of principal may not be for many years, and there is significant liquidity risk. Investors may give up a higher yield to obtain the principal guarantee. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. This is true even if the product is listed or traded on an exchange.

Structured Notes are subject to market risk dependent on the performance of the applicable asset or index so you may lose some or all of the principal invested if not fully protected. Structured CDs give principal protection in that they carry FDIC insurance protection on the invested principal subject to FDIC coverage limits. Other

significant risks include liquidity risk (the ability to sell the security on any given day when the markets are open), credit risk (the security issuer's financial ability to meet its payment obligations at maturity) and call risk (the security issuer's ability to call and redeem the security prior to maturity). The tax treatment of Structured Products is also complicated and, in some cases, uncertain.

Fees and Costs

You typically pay a commission when you purchase a structured product. While you do not pay this commission directly, the commission is factored into the product's principal value as a markup or embedded fee. In this way, you indirectly pay the commission.

For example, if you purchase a structured note that were sold in \$1,000 dollar increments with a 2.9% embedded fee, the estimated underlying value of the note being purchased is \$971.

More Information

Each Structured Note has a prospectus or offering document that details risks, costs and other conflicts you should consider before investing. You can request a copy of a prospectus or offering document from your Financial Professional if you qualify for such investment.

Alternative Investments

Characteristics

The Firm offers a limited suite of alternative investments. Alternative investments are complex and often higher-risk products that are not appropriate for all investors. Alternative Investments typically invest in nontraditional assets or engage in one or more complex strategies. These investments include but are not limited to hedge funds, private investment funds, funds of private investment funds, private placements (inclusive of private placement variable insurance) and opportunity zone funds. These strategies and investments often have specific additional disclosures, contracts and agreements you should review with your Financial Professional prior to investing and require the purchaser to meet certain net worth criteria to be allowed to invest.

An investment in an alternative investment often involves significant risk and is appropriate only for persons having adequate financial means, and who desire a long-term investment and will not need immediate liquidity from that investment. Important general considerations involving alternative investments include:

- Alternative investments are typically illiquid. As a result, you may not be able to sell your alternative investment if you need to raise money.
- If you sell your alternative investment you may receive less money than you invested.
- You should carefully review the alternative investment prospectus/offering documents, including investment objectives and suitability standards to ensure that they align with your needs, goals, and financial objectives.
- Your alternative investment does not guarantee a dividend, nor is it insured by the FDIC like a bank CD.
- Neither PAS nor the alternative investment company from which you are purchasing a product offers legal or tax advice pertaining to alternative investments. You are advised to consult with your own professional legal and/or tax advisor prior to purchasing.
- The alternative investment you are purchasing may offer more than one share class. If there are share class options, you should carefully review the prospectus to determine whether you are eligible for share class discounts (breakpoints) which are sometimes offered for larger purchases. Also, over time the share class you select may result in a different return than the return realized by other share classes. Share class features are not uniform, and can vary from issuer to issuer. For each share class you should understand: a) the share class offering price, b) the net proceeds available for investment, c) the initial and on-going fees, d) distributions/dividends, and e) disposition/exit strategy.
- For investment products associated with real estate (i.e., opportunity zone funds), the risks include,

but are not limited to, property devaluation based on adverse economic and real estate market conditions.

Fees and Costs

Alternative investments typically have substantial upfront and ongoing fees and the upfront sales load can be as high as [10%] and ongoing annual trial payments may be as high as [2%].

For example, if you purchase a \$100,000 alternative investment from an insurer that pays us a 6% commission, we will receive, and you will indirectly pay, an initial commission of \$6,000.

PAS and your Financial Professional earn substantial fees on the sale of these products, so we have an incentive to sell them over other products. This creates a conflict of interest.

More Information

Each alternative investment has a prospectus or offering document that details risks, costs and other conflicts you should consider before investing. You can request a copy of an alternative investment's prospectus or offering document from your Financial Professional if you qualify for such investment.

2. Conflicts of Interest

We have identified certain conflicts of interest (conflicts) that relate to the recommendations we and our Financial Professionals make. A conflict arises when a benefit causes either us or a Financial Professional to put our interests and/or the interests of the Financial Professional ahead of the interests of a retail customer. Some of these conflicts exist between retail customers and both our Firm and Financial Professionals, while others exist between retail customers and our Firm alone or between retail customers and Financial Professionals alone. The section below discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation a Financial Professional provides you.

(a) Conflicts for Both Our Firm and Financial Professionals

Conflicts between retail customers and both our Firm and Financial Professionals may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, or trading arrangements. The material facts relating to these conflicts are as follows:

- *We and our Financial Professionals get paid when you trade or invest based on our recommendations and we receive variable compensation for different investments and types of investments.* Our Firm and our Financial Professionals are compensated when we sell investments to you or place trades for you. PAS pays a portion of this compensation to our Financial Professionals. Because PAS and our Financial Professionals are paid when we sell investments to you or place trades for you, PAS and our Financial Professionals have an incentive to encourage you to purchase investments, trade often, and make additional investments. The compensation we receive for similar investments varies, and also differs among types of investments. PAS and its Financial Professionals have a conflict of interest and incentive to recommend the investment (such as variable product, mutual fund, share class or other product) that pays them more than other similarly available investments. Financial Professionals also have a conflict of interest and incentive to recommend the investment type that pays more compensation than other available investment types (such as recommending a variable annuity versus a mutual fund). Our Financial Professionals that can also offer investment advisory services have an incentive to recommend you transition your brokerage or direct accounts to an advisory account after you have purchased or sold investments resulting in commissions or other fees. In addition, over time, advisory accounts are typically more expensive than brokerage accounts due to the ongoing advisory fee and additional services provided (such as account monitoring and investment advice).

- *For some investments you purchase based on our recommendation, we receive payments from a third-party that are in addition to the transaction-based payments described above.* This is typically the case when you purchase mutual funds, education savings plans, and variable products. For example, certain issuers make ongoing payments to us based on invested assets (and not just new investments), such as 12b-1 fees, shareholder servicing fees or trail compensation. These third-party payments are described in further detail in the prospectus or offering materials for the investment, which will be made available to you in connection with any purchase. All of these third-party payments incentivize us and your Financial Professional to sell you or recommend you hold investments that entail these payments rather than investments that do not entail these payments or entail comparatively lower payments.
- *For investments with multi-share class structures, we generally receive comparatively more compensation when we recommend you purchase or hold a share class that is likely to be more costly for you.* Some investments, such as mutual funds, education savings plans, and variable annuities, offer multiple share classes, and depending on the share class in which you are invested, we may earn higher commissions, ongoing payments and/or other compensation. These comparatively higher commissions, ongoing payments and other compensation incentivize us and your Financial Professional to sell you or recommend you hold the share class in a multi-share class structure that results in the most compensation for us and is likely to be more costly for you (i.e., A shares vs I shares). Please note, however, that where issuers have multi-share class structures, the lowest-cost share classes may not be available to retail investors, due to high minimum investment amounts or account type requirements (e.g., a retirement account or an advisory account). You can find more information about the compensation paid on different share classes in the prospectus for the investment, or by asking your Financial Professional.
- *We get paid when you engage in a rollover transaction.* We can recommend that you rollover assets from your workplace retirement plan or from an existing IRA into an IRA account. When you engage in a rollover to an IRA, we and your Financial Professional will receive compensation in connection with the investments you will acquire for your IRA account and hold in the account. IRA rollover recommendations incentivize us and your Financial Professional to make a rollover recommendation and encourage the purchase of investments or insurance products that result in additional compensation for us and your Financial Professional.
- *We have an incentive to recommend the product or account type that results in additional fees and revenues for us.* We can recommend that you invest through different account type arrangements, such as through a brokerage account, an account directly-held with the issuer of the investment (or its transfer agent), or an advisory account. Depending on factors such as the type and level of services you require as well as the frequency of trading in your account, one of these account types may be more cost-effective for you than the others. In addition, we receive miscellaneous account and service fees and other compensation (which are in addition to commissions, markups or advisory fees) in connection with brokerage accounts or advisory accounts that we do not receive with a directly held account. We can also recommend that you invest in products that have higher up-front compensation along with ongoing trail payments. The availability of different products and account types incentivizes us and our Financial Professional to recommend the product or account type that results in additional fees and revenues for us and your Financial Professional even though another type of account may be more cost-effective for you.
- *We allow our Financial Professionals to hold various licenses, some of which allow the Financial Professional to only recommend certain products (i.e., mutual funds and variable products).* Some Financial Professionals may be limited in what product and account types they can offer based on the securities license they hold. Those with a Series 6 license (Investment Company and Variable Contracts Products Representative) can only offer products like mutual funds, 529 education savings plans and variable products. They may not offer stocks and bonds or advisory accounts which require a Series 7 (General Securities Representative) or Series 65/66 license (Uniform Investment Adviser Law Examination) for those respective products and accounts. The limitations created by Financial Professionals holding various licensing categories creates a conflict whereby the Financial Professional could recommend a product or account type which would not best fit your needs because they are not authorized to offer a more comprehensive group of products or account types.

(b) Conflicts for Our Firm Alone

Conflicts between retail customers and our Firm may be caused by a variety of arrangements, including the role we play in a transaction, compensation arrangements, trading arrangements, or customer-specific arrangements. The material facts relating to these conflicts are as follows:

- *Many issuers of the investments our Financial Professionals recommend periodically pay us based on the total amount of sales we make of their investments or the total amount of customer assets we direct to them.* These payments are sometimes called “revenue sharing” payments. Revenue sharing payments incentivize us to sell you or recommend you hold investments that entail such payments rather than investments that do not entail these payments or entail comparatively lower payments. Many issuers or their affiliates also make payments to us to cover the costs associated with certain educational conferences or training seminars we host for our Financial Professionals and to be allowed to present their products during such conferences and seminars. These payments are typically for fixed amounts and are not tied to total sales or customer assets. Even so, these payments incentivize us to sell you or recommend you hold investments issued by issuers that make these flat payments rather than investments of issuers that do not make these payments or make comparatively lower payments. Please refer to the *Conflicts of Interest* section of the disclosure regarding the specific issuers with whom we have arrangements for revenue sharing payments and fixed payments for conferences.
- *Our clearing firm also makes revenue sharing payments to us and will provide clearing fee rebates to us based on total assets on-platform as well as growth of on-platform assets.* Our clearing firm will pay us revenue sharing on the total assets placed on the clearing firm’s platform annually and will also pay us revenue sharing based on year over year growth of on-platform assets, which shall also include on-platform asset growth of an affiliate entity, Park Avenue Investment Advisory LLC. Furthermore, our clearing firm shall provide us rebates on clearing expenses based on the growth of additional assets placed on the clearing firm’s platform as of certain dates. This incentivizes us to sell you or recommend you hold investments that entail such expense reductions rather than investments that do not entail these expense reductions.
- *We have an incentive to have Financial Professionals recruited to us transfer their client accounts to us because our clearing firm provides us with rebates for such account transfers.* Our clearing firm will reimburse us for out-of-pocket expenses associated with transfer and termination fees upon the successful onboarding of a newly hired Financial Professional who transitions their client accounts based from a financial services firm that does not clear through our clearing firm.
- *We have an incentive to minimize our own execution costs.* Some securities transactions and investment strategies may be easier and less costly for us to execute than others. For instance, it may be less costly for us to execute a purchase order for a highly traded equity security through a national securities exchange than it would be for us to execute a purchase order for a thinly traded and relatively illiquid equity security through the OTC markets. These differential execution costs incentivize us to recommend investments with execution costs that are lower for us, even if they are not necessarily in your best interest.
- *We have an incentive to recommend certain products which are issued or managed by an affiliate due to additional compensation earned by such affiliate.* We offer proprietary products (“Proprietary Products”) issued by an affiliate (The Guardian Insurance & Annuity Company, Inc., and Guardian), including variable annuities and variable life insurance with certain underlying variable investment options whose investment adviser is a Firm affiliate (Park Avenue Institutional Advisers LLC (“PAIA”). In addition, PAIA acts as the sub-adviser for certain Victory Funds that are mutual funds that are available on the PAS Retail Platform. As a result of certain Proprietary Product sales, a PAS affiliate will receive payments in the form of contract fees and charges as well as compensation from the funds (or their affiliates) that comprise the underlying investment options available under certain Proprietary Products and sub-advisory fees that will be paid on certain Victory Funds. This compensation can be for management fees, or distribution, marketing and/or administrative services provided to the funds by a PAS affiliate.

- *We have an incentive to utilize the bank deposit sweep program as our default sweep product as we share in the interest paid on such product.* A Cash Management Sweep Program (“Sweep Program”) is a service we make available to clients which allows clients to automatically transfer free credit balances to either a money market fund product (the “Money Market Sweep”) or an account at a bank whose deposits are insured by the Federal Deposit Insurance Corporation (“Bank Sweep”), rather than being reinvested in other securities. The Sweep Program is comprised of the default Bank Sweep and an overflow Money Market Sweep option for any balances over the FDIC coverage limits, which were selected by the Firm from a list of eligible options that its custodian, Pershing, offers on its platform. The Firm has a conflict of interest by offering the Sweep Programs. We receive an economic benefit when cash balances are swept into the Sweep Program, rather than being reinvested in other investment funds or securities. For the Bank Sweep, we receive a share of the fee paid by depository institutions participating in the Bank Sweep. PAS, Pershing, and the third party administrator will receive a portion of this fee, which may be as much as of 6%, or 600 basis points, on the average daily balances held in these deposit accounts over a 12 month rolling period. PAS has discretion in determining the size of the portion of the fee it receives. This directly negatively impacts the interest rate yield client deposits will receive. All clients are automatically enrolled into the Bank Sweep at account opening . We also receive a distribution from the overflow Money Market Sweep balances pursuant to a rate as set forth in the Fully Disclosed Clearing Agreement with our clearing firm. These conflicts give us an incentive to recommend a Sweep Program option based on the compensation we receive.

(c) Conflicts for Financial Professionals

Conflicts between retail customers and our Financial Professionals may be caused by a variety of arrangements, including compensation arrangements, retail customer-specific arrangements, or outside business activities. The material facts relating to these conflicts are as follows:

- *Your Financial Professional may qualify for certain clubs and awards tied to meeting sales targets.* The benefits of these clubs and awards include attendance at an annual recognition conference with paid travel accommodations (i.e., flight and hotel) and meals for your Financial Professional and one guest. These programs create a conflict of interest by incentivizing your Financial Professional to recommend the purchase of products in an attempt to qualify for these additional clubs and awards.
- *Affiliation with The Guardian Life Insurance Company of America and Proprietary Products.* Many Financial Professionals are contracted as full-time insurance agents of Guardian authorized to solicit and sell the annuity and insurance products of Guardian and its insurance company affiliates. Financial Professionals who are contracted as insurance agents are required to meet minimum sales thresholds in order to maintain their Guardian insurance agent contract. Sales of Guardian variable and fixed/fixed-indexed annuity products also count towards a Financial Professional's eligibility for Guardian's health and welfare programs (including medical and dental benefits). In determining the continuation of their agent contracts, qualification for non-qualified deferred compensation benefits, and the amount of health benefits/subsidies (medical and dental only), Guardian provides a more favorable calculation to Financial Professionals for selling Guardian insurance products (including Guardian variable annuity and variable insurance products) than for selling other investments (such as variable annuity and variable insurance products) that are not issued by Guardian.

The amount of compensation we share with your Financial Professional depends on the investments recommended to you and your Financial Professional's compensation arrangement with their Guardian General Agent (the branch or agency managers and supervisors). The amount of commissions, fees, transaction-based payments, ongoing payments, and other forms of compensation we share with the General Agents, who are the agency managers, is dictated by a compensation grid at the agency level. Our compensation grid has thresholds or bands that enable the General Agent(s) to increase the agency's compensation through an incremental increase in sales. This increase can then also impact the overall compensation that is paid to the Financial Professional by increasing their compensation if the Financial Professional can negotiate such increase with their General Agent. However, such increase is not automatic if the agency level payouts increase. Financial Professional compensation structures can be influenced by many performance-based factors, but they generally vary with the type of investment products purchased, as well as the aggregate volume of investment products purchased by all clients advised by your

Financial Professional within a calendar year. Typically, higher rates are earned by Financial Professionals with higher total client purchase volumes. Rate structures are commonly associated with volume thresholds or “bands” achieved during the year, such that higher incremental compensation rates are earned as new volume bands are achieved. These thresholds, bands and payout percentage adjustments incentivize your Financial Professional to encourage more trading and the purchase of additional investments that result in your Financial Professional meeting certain sales targets and other metrics. This conflict is especially acute as your Financial Professional approaches a sales threshold or the deadline for meeting sales targets, which is typically at the end of the calendar year.

- *Certain Financial Professionals will qualify to receive service and additional financial support based upon their overall sales production.* The top 100 Financial Professionals qualify for the VIP program. The qualifications to achieve VIP status are based upon product and account neutral total sales production. The attainment of VIP status entitles your Financial Professional to receive a dedicated support person called a Relationship Manager, full or partial waiver of state registration fees and Firm affiliation fees, and “Select Rewards Points”. The “Select Rewards Points” can be used to cover the cost of client account maintenance fees, termination fees, and/or service fees such as fed wire or overnight check fees. The decision to cover certain client costs is at the discretion of your Financial Professional and not all clients will receive a benefit.
- *Guardian General Agents (the branch/agency managers and supervisors) are paid based on the performance of the branches or regions they supervise.* Our managers and supervisors oversee the sales and marketing activities of our Firm. The compensation of our managers and supervisors is tied to the production levels of branches or regions over which they have managerial or supervisory responsibility. The tying of managers’ and supervisors’ compensation to the production of the branches or regions they supervise incentivizes them to spend more time on increasing production levels in a given branch or region than on their supervisory responsibilities.
- *Some experienced recruits obtain loans and bonuses that are dependent upon meeting service time thresholds and/or asset transition targets, respectively.* Some of the Financial Professionals that are experienced recruits and new to our Firm are provided with forgivable loans and other compensation bonuses that are tied to the length of service time at our Firm and/or transitioning assets from their prior firm to Park Avenue Securities. If a Financial Professional has received one of these loans, they are incentivized to remain with Park Avenue Securities. If a Financial Professional has been offered one of these bonus opportunities, he or she is encouraged to transfer your account to our Firm so the additional bonus can be obtained. This conflict is especially acute as your Financial Professional approaches his or her milestone date for meeting the service time threshold and/or the asset transition targets.
- *Some of our Financial Professionals receive additional training and support from certain issuers.* Certain issuers and their affiliates provide some of our Financial Professionals or their branches with more training and administrative support services than others. If your Financial Professional receives this additional training and support, his or her use of these issuers’ higher level of training and administrative support services incentivizes your Financial Professional to recommend investments issued by issuers that provide such training and services over issuers that do not, even if such investments are not necessarily in your best interest.
- *Some of our Financial Professionals’ marketing efforts are subsidized by wholesalers.* Some of our Financial Professionals receive reimbursements or direct payments from the wholesalers of certain investments for marketing expenses they incur in connection with the distribution of wholesalers’ investments. If your Financial Professional receives these wholesaler reimbursements or direct payments, they incentivize your Financial Professional to recommend investments that entail these wholesaler reimbursements or payments over investments that do not, even if such investments are not necessarily in your best interest.

Some of our Financial Professionals receive compensation in the form of cash compensation or other gifts from vendors or product sponsors to assist with, and defray the expenses associated with educational seminars and client events held by the Financial Professional or a branch office. At times, the amount of compensation provided to a Financial Professional or branch may be dependent on volume of business that individual or branch has attained. Financial Professionals may also receive business entertainment

from wholesalers, vendors, or product sponsors with whom they interact or are authorized to do business. Entertainment engagement may be based on the amount of business placed with the vendors or product sponsors and may incentivize the Financial Professional to place business with that vendor or product sponsor.

- *Financial Professionals who are also representatives of the Firm's parent company, Guardian, receive employee benefits (i.e., health and pension benefits) that are subsidized by Guardian if the Financial Professional reaches certain sales targets.* This subsidization program creates a conflict of interest as it encourages more trading and the purchase of additional investments that result in your Financial Professional meeting these sales targets to obtain additional subsidies.
- *Some Financial Professionals have outside business activities that compete for their time.* Some of our Financial Professionals engage in outside business activities. If your Financial Professional engages in any outside business activities, these activities can incentivize your Financial Professional to spend more time on the outside business activity rather than his or her brokerage relationship with you. You may research any outside business activities your Financial Professional may have on FINRA's BrokerCheck website at <https://brokercheck.finra.org/>