



SEC Number: 801-10746

# **Vision Program Disclosure Brochure**

**November 1, 2025**

This brochure provides information about the qualifications and business practices of Stifel, Nicolaus & Company, Incorporated (“Stifel”) and the advisory programs that we offer. We also offer other advisory programs, including (but not limited to) wrap programs, advisory consulting services, and fee-based financial planning services, which are covered in separate brochures. If you have any questions about the contents of this brochure, please contact us at the address or telephone number provided below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Stifel, Nicolaus & Company, Incorporated is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.

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## MATERIAL CHANGES

Vision is a new advisory program. This Brochure, dated November 1, 2025, has been prepared according to the SEC's disclosure requirements.

This section will contain information on any future material changes to this Brochure that have occurred since its last annual amendment.

*Instead of providing an updated brochure each year, we generally provide this summary of material changes by April 30 of each year. **Because it is a summary, it does not contain all of the updates that were made to the brochure.** Please read the full brochure, which is available to you at no charge at <https://www.stifel.com/disclosures/investment-advisory-services/program-disclosures> under the section "Stifel Form ADV 2A Disclosure Brochures" or by contacting your Financial Advisor. Capitalized terms used in this section have the meanings assigned to them in the main body of this brochure.*

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## EXECUTIVE SUMMARY

### About Stifel, Nicolaus & Company, Incorporated

Stifel, Nicolaus & Company, Incorporated (“Stifel” or the “Firm”) is a broker-dealer that has been registered with the SEC since 1936 and an investment adviser that has been registered with the SEC since May 7, 1975. Stifel is owned by Stifel Financial Corp., a publicly held company whose common stock trades under the symbol “SF.” Stifel is a leading full-service wealth management, investment advisory, broker-dealer, and investment banking firm serving the investment and capital needs of its clients. Stifel is a member of the Financial Industry Regulatory Authority (“FINRA”), the Securities Investor Protection Corporation (“SIPC”), and various exchanges. Information about Stifel’s qualifications, business practices, portfolio management techniques, and affiliates is accessible on our website at [www.stifel.com](http://www.stifel.com) as well as via publicly available filings with the SEC at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In this brochure, the pronouns “we,” “our,” “us,” and similar words will refer to Stifel. The pronouns “you,” “your,” and similar words will refer to you as the Client. References to the singular throughout this brochure include the plural and vice versa. Capitalized terms shall have the meanings assigned to them in this brochure.

### Services We Provide

We offer both investment advisory (“Advisory”) and brokerage services to our Clients. As a dually registered broker-dealer and investment adviser, most of our registered representatives are licensed and qualified to provide both brokerage and investment advisory services. It is important that you understand the cost and benefits of each option and discuss any questions you may have with your representative.

We believe that investment advisory services are suitable and appropriate for a wide variety of our clients; however, these services are not for everyone. There likely will be situations where the fees and expenses associated with investment advisory services exceed those that would apply for brokerage-only services. We encourage you to review both options very carefully before settling on one option.

This brochure focuses primarily on our advisory services to certain retirement plan participants; however, we also discuss various aspects of our brokerage services throughout this brochure, particularly under the section “Brokerage Practices” below. You can also obtain additional information relating to our brokerage services by referencing your Stifel Account Agreement and Disclosure Booklet provided in connection with your account at Stifel, a copy of which is also available under the “Important Disclosures” section of [www.stifel.com](http://www.stifel.com) (“Account Agreement”).

***You should understand that brokerage services are separate and distinct from Advisory services, and that different laws, standards of care, and separate contracts with clients govern***

***each. While there are similarities among brokerage and Advisory services, our firm’s contractual relationship with and legal duties to you are subject to a number of important differences depending on whether we are acting in a brokerage or Advisory capacity.***

## ADVISORY BUSINESS

### Types of Advisory Services Offered By Stifel

We offer a number of Advisory programs, including the Vision Program (the “Vision Program” or “Program”) described in this Brochure. Our services include discretionary and non-discretionary<sup>1</sup> Advisory services, which generally involve account and/or portfolio management, asset allocation and related services, and recommendation of, or assistance with the selection of, securities and/or investment managers (“Managers”). Such Managers include firms that are independent of our firm (“Independent Managers”) as well as firms owned by our parent company, Stifel Financial Corp., or one of its subsidiaries (“Affiliated Advisers” or “Affiliated Managers”). We enter into written advisory agreements (each, an “Advisory Agreement”) with clients acknowledging our Advisory relationship and disclosing our obligations when acting in an Advisory capacity to Clients. Not all Advisory programs are available to all clients or in all states. Contact your Financial Advisor for information on any limitations or restrictions on our Advisory programs.

We provide Advisory services to a variety of Clients, including individuals, corporations and other businesses, pension or profit sharing plans, employee benefit plans, trusts, estates, charitable organizations, state and municipal government entities, private funds, educational institutions, insurance companies, and banks or thrift institutions (“Clients”). We generally provide Advisory services through our investment advisory representatives (“Financial Advisors”), who determine the services that are most appropriate for Clients based on each Client’s stated individual investment goals, financial circumstances, and other information provided by the Client. We are able to fulfill Clients’ wealth management needs by acting as broker-dealer, investment adviser, or both. Our Advisory services cover many types of debt and equity (or equity-related) securities of domestic and foreign companies, as well as national, state, and local government issuers, whether trading on an exchange or over-the-counter. In addition to stocks and fixed income securities, we recommend or invest Client assets in other types of investments, such as rights and warrants, options, certificates of deposit (“CDs”), mutual funds and other open and closed-end funds, exchange traded products (“ETPs”), including exchange traded funds (“ETFs”), unit investment trusts (“UITs”), real estate investment trusts (“REITs”), American Depositary Receipts (“ADRs”), foreign ordinary shares, publicly traded master limited partnerships (“MLPs”), private investment vehicles (including, but not limited to, hedge funds and private equity funds), and other investments deemed appropriate for our Clients. Advisory services through the Vision Program are generally limited to asset allocation services applied to the

<sup>1</sup> In discretionary investment services, Financial Advisors have discretion to select and allocate eligible investment products within the Client’s portfolio. In non-discretionary investment services, Financial Advisors either select for the Client or recommend and assist the Client in the selection of eligible investment products in which to invest and the Client makes the final decision on when to invest/divest what investments. In non-discretionary, the Client remains solely responsible for the timing and amounts of each of its investments.

designated investment options or menu of permissible investment options available through your retirement plan account (or other arrangement) in your Vision Account held at your Plan's third-party custodian, as more fully described below. This brochure focuses primarily on the Vision Program; however, we also discuss certain services, risks, and features of Stifel advisory services overall. Consult your Financial Advisor for additional information on the Vision Program or any information in this brochure. Not all services are available in all Advisory programs generally or the Vision Program specifically.

### **Assets Under Management**

As of December 31, 2024, we had approximately \$107,751,106,114 of Client assets that were managed on a discretionary basis and \$63,458,503,373 in non-discretionary assets.

### **Our Responsibilities as an Investment Adviser**

When serving as an investment adviser to Advisory Clients, we are acting as a fiduciary with respect to the assets held in accounts covered by the Advisory Agreement. In our capacity as an investment adviser, we are held to the legal standards set forth in the Investment Advisers Act of 1940 (the "Advisers Act"), certain state laws, and common law standards applicable to fiduciaries, as well as, where applicable, certain obligations imposed under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other relevant regulations for Advisory retirement accounts. Such standards include the duty of care, including the obligation to have a reasonable basis for believing that our investment recommendations are suitable and consistent with Client's stated objectives and goals (including any restrictions, as applicable, placed on the account by the Client) and the duty of loyalty, including the obligation to provide Clients with full disclosure of material conflicts of interest. Our duties of care and loyalty differ depending on our Client relationship, authority, agreed services, and other factors, including whether we provide non-discretionary versus discretionary services or when we provide episodic (e.g., financial planning) versus continuous advice. Our duty of care may be defined in our Client agreement, and our duty of loyalty may be modified or limited through Client disclosure and affirmative or implied Client consent by receiving and not objecting to the disclosure. Additional information about our fiduciary obligations, including some of the policies and procedures that we undertake to fulfill those obligations, is available throughout this brochure, including under the section entitled "Participation or Interest in Client Transactions."

### **Investment Restrictions**

We are not able to monitor for investment restrictions in your Vision account.

### **Investment Policy Statements**

We do not accept any responsibility for monitoring compliance with a Client's investment policy statement ("IPS").

## **VISION PROGRAM OFFERED BY STIFEL**

### **About Our Vision Program**

The Vision Program allows Stifel Financial Advisors to provide discretionary account management for accounts held at custodians or broker-dealers who will generally not be affiliated with us ("Vision Account"). The Program is designed primarily for retirement plan accounts. However, Stifel may accept other types of accounts in the Program.

Through the Vision Program, your Financial Advisor will manage your Vision Account exclusively from among the eligible investment options (i.e., the designated investment options or menu of permissible investment options available through the Client's retirement plan account (or other arrangement) ("**Designated Investment Options**"). We are not responsible for the Designated Investment Options chosen, or maintained, by the plan sponsor (or other plan fiduciary).

The Advisory services provided under the Vision Program generally consist of asset allocation recommendations amongst the Designated Investment Options. Designated Investment Options are chosen and overseen by the plan sponsor (or other plan fiduciary) and comprise mainly of investments in mutual funds, collective funds, and other types of commingled vehicles. Unless we agree otherwise, in writing, the Advisory services under the Vision Program do not include or consider investments in company stock (or a company stock fund), certain target date funds associated with an insurance product, annuities, guaranteed income products, managed accounts, individual stocks, individual bonds, certain digital assets (generally direct digital assets or cryptocurrency), commodities, and other investment assets available through a plan's open brokerage window or similar options (collectively, "Unsupervised Assets").

We will not consider, monitor, manage, or manage around Unsupervised Assets through the Program. In addition, the value of any such investments will not be included in the calculation of the Advisory Account Fee for the Program. See the Fees and Compensation section below for additional information on the Program Fees. We may update the types of securities or investments that we will not consider, monitor, manage, or manage around in your Vision Account upon notice to you. See the Unsupervised Assets section below for additional information.

Through the Vision Program, your Financial Advisor provides discretionary management services whereby your Financial Advisor will manage your Vision Account through the Pontera System (defined below) without further direction from you.

By enrolling in the Vision Program, you authorize your Financial Advisor to manage your Vision Account on a discretionary basis, including to buy and sell securities or other investments (without further direction from you) from among the Designated Investment Options through the Pontera System defined below. We rely on (and have no obligation to verify) information provided from Pontera regarding the Designated Investment Options (or changes thereto), blackout periods, default investment options, and other information or limitations applicable to your Vision Account. By delegating discretionary

management of your Vision Account to your Financial Advisor, you authorize, direct, and agree to link your Vision Account to and direct your Financial Advisor to use Pontera Solutions, Inc.'s Order Management System (or similar communications network or system) ("**Pontera**" or "**Pontera System**").

When you choose to use the Pontera System, you authorize Pontera to use your personal user name and password (or similar access) ("Log-In Credentials") to connect directly to your Vision Account at your Plan's third-party custodian and grant Pontera the authority to access the recordkeeping system for your account and link your Vision Account to Pontera. Pontera will access your Vision Account information and data, including receiving verification texts or other authentication factors from your custodian, to transmit trading instructions initiated by your Financial Advisor to your Plan's third-party custodian.

Stifel is not affiliated with and does not recommend or endorse Pontera (or the Pontera System). The decision to provide your Log-In Credentials to Pontera comes with risk, which you must consider, including the potential for data breaches, providing access to investment accounts other than the Program Account to Pontera, and your authority to provide Log-In Credentials associated with your Vision Account to a third party.

- Do not provide your Log-In Credentials to Pontera if you do not feel comfortable evaluating the risks with doing so.
- Do not provide your Log-In Credentials to your Stifel Financial Advisor. Stifel Financial Advisors are not permitted to accept and will never request your Log-In Credentials in connection with the Vision Program or otherwise.

Stifel's access to the Pontera System may be suspended, discontinued, or otherwise substantially limited at any time. In the event that Stifel's access to the Pontera System is deemed to be interrupted (other than for short, limited periods of time due to system maintenance, updates, or limited communication outages), Stifel may remove your Account from the Program.

## **OTHER PROGRAMS OFFERED BY STIFEL**

We offer a number of different Advisory programs to our clients. Information on these other programs is covered in separate brochures, please consult your Financial Advisor for more information on the other programs offered by Stifel. These programs offered are not available to manage retirement accounts held directly at a third-party custodian.

## **FEES AND COMPENSATION**

Clients participating in the Vision Program will pay an annual asset-based fee (the "Vision Advisory Account Fee") at the rates set forth in the Vision Program Advisory Agreement or as otherwise provided by Stifel. The value of your Vision Account for billing purposes is the value of Designated Investment Options plus any cash, cash equivalents, including money market funds, in the Vision Account.

Each client pays an asset-based Vision Advisory Account Fee of up to 1.2% which covers account reporting, investment advisory services, compensation to the Financial Advisor, and Pontera.

We may determine to lower any portion of the Vision Advisory Account Fee at any time, without notice to you.

The Vision Advisory Account Fee is negotiable, and you could pay more or less than similarly situated Clients, depending on your particular circumstances, such as the pricing model, the size and scope of your relationship, additional or differing levels of service, and/or the asset class to which each portfolio is attributable, as applicable. In evaluating the Vision Program, consider that the fees associated with the advisory services through the Vision Program may exceed the fees for other services and investments, such as self-directed brokerage services or target date funds, which are available to you through your plan. We encourage you to review all of the available options and related fees carefully before enrolling in the Vision Program.

Stifel pays Pontera a fee based on assets under management managed through the Pontera system, subject to certain minimums. The amount owed to Pontera decreases as the amount of assets managed through the Pontera System increases. As a result, Stifel has an incentive to have more assets managed through Pontera to reduce the fees owed to Pontera.

You will be separately responsible for any embedded fees and expenses associated with the Designated Investment Options (or your plan), including investments in mutual funds and other collective investment vehicles. See the Other Fees and Expenses Not Included in the Advisory Account Fee section below for additional information on other fees and expenses.

### ***Calculation of Vision Advisory Account Fees***

The Vision Advisory Account Fee is generally billed quarterly in arrears; however, from time to time, we may agree to alternative billing terms based on negotiations with the applicable Client (e.g., in arrears or on a monthly cycle, etc.). The initial fee for each account is due in full as of the end of the first quarter the account was established and is based on the quarter-end value of the account.

In calculating quarterly installments of the annual Vision Advisory Account Fee, we assume a 360-day annual period. For the initial fee, the period for which the fee relates is the date your Advisory Agreement is accepted by us ("Effective Date") through the last day of the calendar quarter in which the account is opened, and is prorated accordingly based on the actual number of days remaining in the quarter. Thereafter, the fee is based on the account's closing market value on the last business day of the previous calendar quarter, or the last available closing market value prior to the preceding calendar quarter-end, and is generally due on the next business day or shortly thereafter (the "Payment Date"). In calculating the annual Vision Advisory Account Fee, we rely on the value of the assets in your Account as provided to us by Pontera. We will not be under any obligation to independently verify the valuations provided by Pontera, you, or any third party. In calculating the Vision Advisory Account Fee, we use the most current value to which we have access, which may, at times, not represent the actual value of the Assets as of the Payment Date. The quarter-end value used for determining your Vision Advisory Account Fee is reduced by the value of any Unsupervised Assets defined below.

### ***Deduction of Advisory Account Fees***

The Vision Advisory Account Fee is generally automatically deducted each quarter from available cash or cash equivalents, including money market funds, in your delegated billing account ("Alter-Bill Account") on the billing date. Stifel rebalances or liquidates sufficient securities in your Alter-Bill Account to generate sufficient funds to cover the fee in the following order: first, we liquidate mutual fund positions, followed by unit investment trusts, equity securities (including ETFs), corporate bonds, municipal bonds, and any other securities. You should note that trade commissions, incidental, special, or indirect damages (including, but not limited to, lost profits, trading losses, or tax consequences) may be incurred in the account as a result of such rebalance or liquidation to pay for fees. You (not Stifel) are responsible for any such damages or losses. We do not adjust the Vision Advisory Account Fee for fluctuations in value during a period due to market conditions. Vision Alter-Bill Accounts are subject to minimum account thresholds established by Stifel. See Program Minimums section below. Your Vision Advisory Account Fee will not be pro-rated for mid-quarter contributions or withdrawals. You are solely responsible for monitoring your Vision Account to minimize transfers that would increase applicable fees or otherwise result in increased charges. As a result, there may be times when you will see multiple fee charges on a single monthly account statement.

***Fee Charges on Customer Account Statement.*** Scheduled quarterly charges of the Stifel Fee are typically reflected as a single line "Advisory Fee" on the monthly account statement of your Alter-Bill account.

### ***Fee Householding***

Fee householding is not available for Vision Accounts.

### ***Terminations; Fees Due Upon Termination***

Fees are payable in arrears. This means when you terminate your Vision Account you will owe a final fee based on the number of days since the last quarterly billing until the termination date.

### ***Unsupervised Assets***

If your Account includes Unsupervised Assets that are excluded from billing or other assets that are deemed ineligible for the Program in which the account is enrolled), you should note that those Unsupervised Assets are not considered part of our Advisory relationship with you. We periodically allow Clients to hold Unsupervised Assets in Advisory accounts *solely* as an accommodation to the Client. *Our firm specifically disclaims any fiduciary obligations with respect to Unsupervised Assets held in a Client's Advisory account.* This means that we do not undertake to monitor, manage, or manage around any such assets even though they are held in the Advisory account. Furthermore, the value of such investments will not be included in the calculation of the Advisory Account Fee. Your Financial Advisor has an incentive for you to liquidate (or transfer) Unsupervised Assets from your Vision Account because they are not paid on such assets. The continued holding of Unsupervised Assets could negatively affect your ability to meet your stated investment goals or objectives. For additional information, including a list of the Unsupervised Assets (if any) held in your Account at any time, please contact your Financial Advisor.

### ***Other Fees and Expenses Not Included in the Vision Advisory Account Fee***

The Vision Advisory Account Fee does not include the fees, charges, and expenses outlined below. If applicable, you will be separately charged these fees, charges, and expenses in addition to the Advisory Account Fee. If an investment product purchased for the benefit of your account is offered pursuant to a prospectus or other offering document, you should review the information about the related fees, charges, and expenses set forth in such prospectus or other offering document.

#### ***Additional Fees and Expenses***

In addition to the Vision Advisory Account Fee, Clients will also be responsible for and separately bear the cost of any fees or expenses assessed to their investments or account by third parties and other fees and expenses set forth below:

- Brokerage commissions, markups, markdowns, spreads, and odd-lot differentials on orders (that is, costs relating to trades executed through the custodian (or another third party) for the Account).
- All account maintenance fees and expenses, transactional expenses, custody fees, and/or any other expenses charged by the custodian or other party in connection with maintaining the Account. These include, but are not limited to, third-party administration and other fees associated with external qualified retirement plans (including individual retirement accounts "IRAs").
- All fees and expenses relating to investment products purchased for the Account, including, but not limited to, the annual operating expenses of any mutual funds, collective investment funds, exchange traded funds ("ETFs"), closed-end funds, or private funds purchased for the account, portfolio management, distribution and marketing, redemption fees, and similar fees, in each case as outlined in the fund prospectus, private offering memorandum, or similar document.
- Exchange fees, transfer or other taxes, and other fees required by law, including (but not limited to) taxes or fees imposed by any foreign entity in connection with securities transactions in the Account.
- Any other costs associated with products or services not specifically included in the services described in this disclosure or your Advisory Agreement.
- Any fees or other costs associated with the operation of or recordkeeping of your plan or plan account.

### ***Each Client should carefully consider the overall cost of the Vision Program.***

***Additional Information on Certain Fund-Related Charges and Fees.*** As set forth above, any fees or expenses charged by investment funds or products in which your account invests are excluded from the Advisory Account Fee and, therefore, are your sole responsibility. You should pay particular attention to each investment's prospectus and/or other offering documents (plan fund profile) for a full understanding of all applicable charges and fees.



## ADDITIONAL INFORMATION ON FEES AND OTHER COMPENSATION

### Compensation to Financial Advisors

We pay a percentage (“Payout Rate”) of the Stifel Advisory Fee that we receive from you to your Financial Advisor(s). Payout Rates generally range from 25% to 50%; the applicable percentage paid to your Financial Advisor will depend on your Financial Advisor’s employment agreement and arrangements with us and the total amount of revenue your Financial Advisor generates from all clients, including from brokerage clients (referred to as “Production”). Our compensation to the Financial Advisor can also include a bonus that is also based on the Financial Advisor’s Production.

Your Financial Advisor’s Payout Rate will be the same regardless of the Advisory program in which your accounts are enrolled. However, as a general matter, your Financial Advisor’s total cash compensation increases as his or her Production increases, and this creates an incentive for your Financial Advisor to recommend certain programs or portfolios over others and/or other products or services in order to increase his or her Production. This creates an incentive for your Financial Advisor to recommend establishing an advisory relationship for your third-party custody retirement accounts. We seek to mitigate these conflicts by disclosing them to you and by establishing other risk-based supervision policies and procedures (including, e.g., to review certain new Advisory account enrollments).

*Discount Sharing.* Financial Advisors receive less than their standard payout when accounts are priced below the set minimum fee level for the applicable program. While Financial Advisors may be allowed to set the Stifel Fee for an account below the minimum fee level, doing so typically results in a reduction to the Financial Advisor’s Payout Rate (generally referred to as discount sharing) potentially down to 0%. The fee levels at which discount sharing starts to apply vary by program and/or style: for example, the discount sharing level for equity strategies is different than for fixed income strategies. In general, discount sharing creates an incentive for Financial Advisors to price accounts above the set minimum fee level in order to receive their standard Payout Rate.

*Other Benefits.* Equity awards from our parent company, SF, are a standard component of our Financial Advisors’ compensation. Your Financial Advisor is eligible to receive other benefits based on his or her Production. These benefits include recognition events, conferences (e.g., for education, networking, training, and personal and professional development), and other forms of non-cash compensation that generally increase in value as the amount of the Production your Financial Advisor generates increases. These benefits create an incentive for your Financial Advisor to recommend certain programs over others and/or transactions, products, and services that generate additional fees and expenses in order to obtain the most benefits.

*Recruiting Transition Assistance.* Some Financial Advisors are eligible for special incentive compensation and other benefits based on client assets in accounts at our firm (including assets held in your retirement accounts). These incentives and benefits can be in the form of recruitment and retention bonuses, and

eligibility for repayable loans or loans for which repayment is made under certain conditions, for your Financial Advisor by an entity affiliated with us. These incentives and benefits generally increase as the Financial Advisor brings more client assets to us and generates more revenue. These benefits create an incentive for your Financial Advisor to recommend that you transition accounts held at other financial institutions to our firm, as well as to recommend certain transactions, products, and services over others in order to obtain the benefits.

*Branch Manager/Supervisory Activities.* In addition, we pay compensation to branch managers based on aggregate Production generated by the Financial Advisors operating from the manager’s branch office. In some cases, a portion of a Financial Advisor’s Production can result in compensation to his or her branch manager or another Financial Advisor for supervision and administrative or sales support. When a supervisor is compensated based on the Production of the person he or she is supervising, this creates a conflict of interest since the supervisor has an incentive for you to make investments that generate greater compensation for the supervisor. The particular compensation arrangements between your Financial Advisor and his or her branch manager also create incentives for your Financial Advisor to recommend transactions, investment products, and services that generate greater amounts of revenue for us, the branch manager, and your Financial Advisor.

*Outside Business Activities.* Your Financial Advisor is permitted to engage in certain business activities approved by us, other than the provision of brokerage and advisory services through Stifel. In certain cases, these outside business activities can cause conflicts with the Advisory services that your Financial Advisor provides to you and your account(s). We mitigate these conflicts by requiring your Financial Advisor to disclose to us and obtain approval for outside business activities by establishing certain other policies and risk-based procedures to the approval of outside business activities. Where such activities are deemed material (as determined by regulation), we disclose such activities are deemed material (as determined by regulation), disclosing them to you through the Financial Advisor’s Form ADV Part 2B, and by establishing certain other policies and risk-based procedures to the approval of outside business activities.

### Certain Compensation in Addition to the Stifel Advisory Fee

Stifel, our Financial Advisors, and our affiliates may, from time to time, receive additional compensation in connection with certain types of assets in which Clients’ Advisory accounts are invested, as discussed in more detail below. Vision Accounts are held at your Plan’s third-party custodian and are subject to the investment limitations described above. Therefore, the compensation described below is generally not received in connection with Vision Accounts. For background, the receipt of such additional compensation in connection with Advisory programs presents a conflict of interest for us as it creates an incentive for our Financial Advisors to recommend investment products based on the compensation received rather than solely based on your investment needs. For additional information regarding the compensation received by Stifel, our Financial Advisors, and our affiliates in connection with our other advisory programs, please refer to the ADV Brochure and

disclosures for such programs, available at <https://www.stifel.com/disclosures/investment-advisory-services/program-disclosures>.

(i) *12b-1 Distribution Fees (“12b-1 fees”).* 12b-1 fees are generally paid by Funds to compensate us for providing distribution-related, administrative, and informational services, as applicable, associated with each Fund. 12b-1 fees are included in the “annual operating expenses” or “expense ratio” charged and reported by each Fund, and are deducted directly from the Funds automatically. We do not generally receive 12b-1 fees in connection with Vision Accounts. For our other advisory programs, we seek to make available share classes that do not have any associated 12b-1 fees. There may, however, be some Funds available through such other programs that have 12b-1 fees due to share class availability, or if a share class subject to 12b-1 fees is the only share class on which we can receive Omnibus Fees and/or Networking Fees. To the extent received, we generally rebate back to the Client any 12b-1 fees received (including Omnibus Fees and/or Networking Fees that are paid from the 12b-1 fees) in connection with Fund shares held in Advisory accounts, but only to the extent that such 12b-1 fees relate to the period during which the account has been enrolled in one of our Advisory programs.

(ii) *Marketing Support and Revenue-Sharing Payments.* We receive revenue-sharing payments from the assets of the Fund manager or its affiliate (and not the Fund) for providing ongoing marketing, training, and education to our Financial Advisors with respect to the Fund sponsor and its products. Revenue-sharing payments, which typically range from 0.02% to 0.08% annually on assets under management and can be up to 0.15% on new sales, do not directly reduce the amount invested by an investor. Not all Fund managers or affiliates make revenue-sharing payments to us, and the revenue-sharing payments we receive vary between Fund companies. Revenue-sharing payments may include fixed payments, payments based on the total assets placed by our Clients at a Fund company or in a particular Fund or Fund share class (i.e., a percentage of total client purchases, both brokerage and Advisory), or a combination of the two. Because the amount of revenue-sharing payments we receive can vary between Funds or share classes of a particular Fund, we have an incentive to recommend to you a Fund (or a share class of a particular Fund) that pays us a higher amount of revenue sharing than another Fund or share class. We seek to mitigate this potential conflict through a number of measures, including, as described above, the manner in which we make share classes available. In addition, our Financial Advisors do not directly share in any revenue-sharing payments we receive, and we do not require our Financial Advisors to recommend Funds providing revenue-sharing payments to us. Moreover, we rebate revenue-sharing fees received in connection with Fund shares held in Advisory retirement accounts. To the extent received in connection with Advisory non-retirement accounts, marketing and revenue share payments are in addition to the Stifel Fee that we earn directly from the relevant Clients invested in those Funds.

(iii) *Training and Education Expense Contributions.* Fund companies and/or their affiliates may pay all or a part of the cost of particularized and/or firm-wide training education programs and seminars for our Financial Advisors. For example, a Fund company might host events for Financial Advisors designed to provide training and education about their Funds and products. In doing so, they agree to bear the cost (or part of the cost) for our Financial Advisors and other personnel to attend the events. The amounts paid by Fund companies vary, and Stifel does not require any Fund company to host, participate in, or contribute to the costs of these events as a condition of Stifel making a Fund company’s Funds available on our platform. A Financial Advisor’s attendance and participation in these events, as well as the increased exposure to Fund companies who sponsor the events, may lead the Financial Advisor to recommend Funds of those Fund companies as compared to Funds of Fund companies that do not sponsor these events.

(iv) *Fees Received By Our Affiliates for Providing Services to Funds:* Stifel has a number of affiliated entities that act as investment advisers or sub-advisers to mutual funds, or provide other services to mutual funds, ETFs, closed-end funds, and other investment products (collectively, “Affiliated Products”). Affiliated Products may be held in Vision Program Accounts from time to time until any such Affiliated Products can be liquidated. In such cases, one or more Stifel affiliates will receive additional compensation in connection with your Vision Account(s)’ investment in Affiliated Products. *Neither our firm nor our Financial Advisors directly share in any of the fees received by our affiliates for their services to these Funds.* However, as part of an affiliated group, we may receive indirect benefits from such compensation through our parent company.

***Training and Education Expense Contributions From Managers.*** Managers (Independent or Affiliated) may pay for all or part of the cost of particularized and/or firm-wide training and education programs and seminars for our Financial Advisors and other personnel. For example, an Adviser might host events for Financial Advisors designed to provide training and education about the Manager and its strategies and agree to bear the costs for our Financial Advisors and other personnel to attend these events. The amounts paid by Managers vary, and Stifel does not require a Manager to host, participate in, or contribute to the cost of these events as a condition of Stifel making the Manager’s portfolios available on our platform. A Financial Advisor’s attendance and participation in these events, as well as the increased exposure to the Managers who sponsor these events, may lead the Financial Advisor to recommend portfolios offered by such Managers as compared to Managers that do not sponsor these events.

#### ***Insurance Commissions***

In addition to being a dual registrant, our firm is also licensed as an insurance agency with various states. Some of our Financial Advisors are licensed as insurance agents and, in such capacity, are able to offer various insurance products to Clients and effect the resulting insurance transactions for separate and customary commission compensation. Clients that determine to purchase insurance products offered by our Financial Advisors should

note that such products will not be held in our Advisory accounts and will not be part of the Advisory arrangement between Stifel and such Client. Our firm receives a portion of any commissions that the issuing insurance company pays with respect to insurance products sold by our Financial Advisors.

### **Non-Cash Compensation**

Subject to the firm's policies, Financial Advisors may receive non-cash compensation in the form of occasional gifts, meals, tickets, and/or other forms of entertainment from third parties, including mutual fund companies (or their agents or affiliates), Managers, insurance vendors, and/or sponsors of products that we make available for purchase to our Clients.

### **General Disclosure on Conflicts of Interest**

As set forth above, the additional compensation associated with the programs and/or investments described in the preceding section, to be paid to and retained by Stifel (which may be shared with your Financial Advisor) and/or one or more of our affiliates, may present a conflict between your interests on the one hand and those of the Financial Advisor, our firm, or affiliates on the other hand. This additional compensation provides an incentive to us, in exercising discretion or making recommendations for your account, to choose or recommend investments that result in higher compensation to our firm, your Financial Advisor, and/or affiliates of Stifel.

For example, your Financial Advisor will receive a portion of the Advisory Account Fee that we retain after paying Pontera a fee based on assets managed through the Pontera system. The fee owed to Pontera, which is subject to certain minimums, is reduced as the amount of assets managed through the Pontera system increases. The reduction in the fees owed to Pontera as the amount of assets managed through the Pontera system increases creates an incentive for Stifel to manage more assets through the Pontera system.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance-based fees for our investment advisory services.

### **TYPES OF CLIENTS**

The Advisory services offered in this brochure are generally available to individuals. To be eligible to enroll in the Vision Program, you must: (1) be a U.S. person (including a U.S. resident alien) and (2) have a valid U.S. taxpayer identification number. The Program is not available to foreign investors.

### **Program Minimums**

There are no account minimums for a Vision account. There is, however, a requirement to maintain a separate Alter-Bill Account with at least \$5,000 for billing purposes.

**Stifel may have an advisory or brokerage relationship directly with your benefit plan; the fees for those services are separate and distinct from the services provided under the Vision Program.**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

Financial Advisors directing and/or recommending specific securities or investments use information obtained from various sources, including financial publications, inspections of corporate activities, company press releases, research material prepared by affiliates and/or third parties, rating or timing services, regulatory and self-regulatory reports, and other public sources. Financial Advisors use research provided by our research department, our internal product specialists, and/or from other sources relating to a broad range of research and information about the economy, industries, groups of securities, and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and other information that may affect the economy or securities prices. The research used may be in the form of written reports, telephone contacts, and personal meetings with research analysts, economists, government representatives, and corporate and industry spokespersons. Additional information about the various research sources that our Financial Advisors may use in connection with Advisory accounts is provided below under the section "**Brokerage Practices – Research and Other Benefits.**" Financial Advisors use any and/or a combination of fundamental, technical, quantitative, and statistical tools and valuation methodologies. The use of these different methodologies may result in technical or quantitative research recommendations that may differ from, or be inconsistent with, fundamental opinions for the same security.

In general, our Advisory services with respect to the Vision Program offered in this brochure typically combine asset allocation and periodic rebalancing with the aim of growing and/or preserving principal. Our Financial Advisors generally assist Clients in designing portfolios from among the Designated Investment Options for the plan with a long-term perspective, and periodically rebalance (or recommend rebalancing) the portfolios, as they deem appropriate, to manage risk.

### **Risk of Loss**

You should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss, and you should be prepared to bear the loss of assets invested. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of your investments will fluctuate due to market conditions and other factors.

The specific type(s) of risks that each Client is exposed to will vary depending on the particular investments held in the Client's account. We do not offer any guarantees that any investment recommendations made with respect to our Vision Account will be profitable. Moreover, Clients should note that past performance is not a guarantee of future results.

### **Material Risks**

The following material risks are applicable to certain types of assets in which Clients' Advisory accounts are invested. Vision

Accounts are subject to the investment limitations described above. Therefore, not all of the following materials risks are applicable to your Vision Account or the investments in which it will be invested.

**Platform Interruption Risks:** Your Financial Advisor's access to the Pontera System may be suspended, discontinued, or otherwise substantially limited at any time and from time to time. In the event that your Financial Advisor's access to the Pontera System is deemed to be interrupted (other than for short, limited periods of time due to system maintenance, updates, or limited communication outages), Stifel may choose to terminate the Program.

**General Economic and Market Conditions Risks:** The success of the Firm's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, energy prices, commodity prices, national and international political circumstances (including government intervention in financial markets, wars, terrorist acts, or security operations), natural disasters, and regional, national, and global health crises (for example the global outbreak of the coronavirus disease 2019 (COVID-19) in 2020). These factors may affect the volatility of securities prices and the liquidity of your investments. Volatility or illiquidity could impair your profitability or result in losses. The Firm's clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

**Investment Company Securities Risks:** Retirement plans are heavily invested in mutual funds; in addition, they may invest in other investment companies, including ETFs, UITs, and/or closed-end funds. Each fund may be subject to a variety of risks, depending on its investment strategies and/or the securities held. For example, mutual funds that primarily hold a portfolio of small capitalization companies will be subject to small capitalization risks, which may include increased volatility and decreased liquidity (relative to large capitalization companies). Each of these investments is subject to internal fees, which affect its net asset value and reduce the return that a Client will realize with respect to the investment.

**Delayed Redemptions or Redemptions In-Kind:** Large redemptions may result in delays in our firm's ability to fully liquidate or redeem out of the Fund, which could in turn result in increased risk of loss for participating accounts. If allowed under its prospectus, a Fund could also decide to redeem shares "in-kind" instead of in cash in connection with such large redemption requests. In that event, your account in the program may receive the actual underlying (i.e., non-Fund) securities held by the Fund. The underlying securities could lose value before we are able to sell them (if our Firm or an FA has discretion). To the extent possible, we will work with Fund companies to minimize the potential adverse impact of large volume redemptions to accounts in our programs, but there is no assurance that you will be able to avoid the risk of loss and other adverse consequences.

**Fixed Income Securities Risks:** A number of portfolios and/or Financial Advisors may invest in a variety of fixed income securities. Fixed income securities are subject to credit risk,

interest rate risk, and liquidity risk. Credit risk is the risk the issuer or guarantor of a debt security will be unable or unwilling to make timely payments of interest or principal or to otherwise honor its obligations. Interest rate risk is the risk of losses due to changes in interest rates. In general, the prices of debt securities rise when interest rates fall, and the prices fall when interest rates rise. Duration measures the change in the price of a fixed income security based on the increase or decrease in overall interest rates. Bonds with higher duration carry more risks and have higher price volatility than bonds with lower duration. Therefore, if interest rates are very low at the time of purchase of the bonds, when interest rates eventually do rise, the price of such lower interest rate bonds will decrease, and anyone needing to sell such bonds at that time, rather than holding them to maturity, could realize a loss. High-yield debt securities (junk bonds) generally are more sensitive to interest rates. Such securities are also highly subject to liquidity risk. Liquidity risk is the risk that a particular security may be difficult to purchase or sell and that an investor may be unable to sell illiquid securities at an advantageous time or price. There are also special tax considerations associated with investing in high-yield securities structured as zero coupon or pay-in-kind securities. Bonds may also have a call feature, entitling the issuer to redeem the bond prior to maturity. A callable security's duration, or sensitivity to interest rate changes, decreases when rates fall and increases when rates rise because issuers are likely to call the bond only if the rates are low. Investors in callable bonds are therefore subject to reinvestment risk – that is, the risk that they will need to reinvest their proceeds at lower rates. Municipal bonds are also subject to state-specific risks, such as changes in the issuing state's credit rating, as well as the risk that legislative changes may affect the tax status of such bonds. Investments in government-sponsored entity securities also exhibit these risks, although the degree of such risks may vary significantly among the different government-sponsored entity securities. Some securities issued or guaranteed by U.S. government agencies or instrumentalities are not backed by the full faith and credit of the U.S. and may only be supported by the right of the agency or instrumentality to borrow from the U.S. Treasury.

**Equity Risks:** Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, common stocks, preferred securities, convertible stocks, and warrants. The values of equity securities, such as common stocks and preferred securities, may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Equity securities generally rank junior in a company's capital structure to debt securities and consequently have greater price volatility and entail greater risk of loss than debt securities.

**Diversification Risk:** Certain portfolios within our Advisory programs may have concentration in specific asset classes, sectors, or individual securities, which could result in increased exposure to the risks that can be attributed to those specific investments. Additionally, certain portfolios may invest in a specific investment style. As a result, clients in these portfolios may not have access to as wide a variety of management styles as clients in other portfolios. Certain portfolios also invest in

funds of specific sponsors or fund companies, which means that clients in these portfolios only have access to the management style of that fund company or sponsor. Clients in these portfolios will be subject to more risk than Clients in more diversified portfolios and, therefore, are intended to complement other investments.

**Mid Cap and Small Cap Company Risks:** The securities of mid or small cap companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger-sized companies or the market averages in general.

**Issuer Concentration Risks:** From time to time, a Financial Advisor (or a Portfolio) may take a significant position in a particular issuer; for example, a particular Financial Advisor's Clients may, in the aggregate, own more than 5% of an issuer's outstanding stock. Even where such a position is spread among a number of Client accounts, the affected Clients will be more exposed to the issuer's specific risk than where our firm's aggregate position in the issuer is insignificant and/or immaterial. Such large positions may also affect the liquidity of the investment because we may not be able to completely liquidate the position within a desired timeline or at a desired price if we own more than the typical daily trading volume. We are required by applicable regulations to disclose ownership of more than 5% of the total outstanding shares of certain equity securities held in our discretionary accounts. There are no similar disclosure requirements to the extent the positions are held in non-discretionary Client accounts. Clients are therefore encouraged to discuss these risks with their Financial Advisor when considering the Financial Advisor's investment recommendations.

## ADDITIONAL INFORMATION

### Disciplinary Information

1. On September 24, 2024, in connection with the industry-wide sweep into off-channel communications, the SEC entered an administrative order against Stifel, Nicolaus & Company, Incorporated ("Stifel" or the "Firm"). The SEC found that the Firm willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder, as well as Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, due to recordkeeping failures related to electronic communications. The Firm also failed to reasonably supervise its personnel to prevent or detect aiding and abetting violations of these sections. The SEC ordered Stifel to cease and desist from committing or causing any violations, censured the Firm, and imposed undertakings including retaining an independent compliance consultant. Additionally, a civil money penalty of \$35,000,000 was imposed.
2. On September 1, 2020, Stifel entered into a Letter of Acceptance, Waiver, and Consent ("AWC") with FINRA to settle allegations that, during the period of October 31, 2017 through February 27, 2020, the firm lacked a supervisory system, including written supervisory procedures ("WSPs"), reasonably designed to detect and prevent Stifel and its registered representatives from executing pre-arranged transactions in violation of Municipal Securities Rulemaking Board ("MSRB") Rule G-27. While not admitting or denying the allegations, the firm consented to a censure and monetary fine of \$40,000 to settle the allegations. As indicated in the AWC, Stifel updated its supervisory system and WSPs regarding the cited supervisory deficiencies prior to the entry of the AWC.
3. In March 2019, Stifel, along with 78 other investment advisers who voluntarily participated in the SEC's Share Class Selection Disclosure Initiative, consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order") by the SEC instituted pursuant to Sections 203(e) and 203(k) of the Advisers Act without admitting or denying the findings therein except those related to jurisdiction and the subject matter of the proceedings. The Order entered against Stifel alleged that Stifel willfully violated Sections 206(2) and 207 of the Advisers Act as a result of its inadequate disclosure of conflicts of interest related to (a) the selection of mutual fund share classes that charged 12b-1 fees, which are recurring fees deducted from fund's assets, when an alternative share class was available that did not charge a 12b-1 fee, and (b) the receipt of 12b-1 fees in connection with these investments. The SEC did not impose a civil penalty against Stifel in recognition of the fact that Stifel self-reported the issue to the SEC. However, Stifel was censured and ordered to cease and desist from committing or causing any violations and future violations of Sections 206(2) and 207 of the Advisers Act, pay disgorgement and pre-judgment interest in the amount of \$6,037,175.98 to affected investors, and comply with several undertakings related to notifying affected investors of the terms of the Order.
4. On January 26, 2018, Stifel entered into a Letter of Acceptance, Waiver, and Consent ("AWC") with FINRA to settle allegations that the firm (i) traded ahead of certain customer orders at prices that would have satisfied the customer orders; (ii) did not maintain adequate supervisory controls that were reasonably designed to achieve compliance with FINRA Rule 5320 and Supplementary Material .02 of FINRA Rule 5320; and (iii) failed to report an information barrier identifier with its order audit trail system ("OATS") submission for certain orders. These allegations were considered to be violations of FINRA Rules 2010, 3110, 7440(b)(19), and NASD Rule 3010. While not admitting or denying the allegations, the firm consented to a censure, monetary fine of \$37,500, plus interest of \$318.25, restitution payments to affected investors, and an undertaking to revise its written supervisory procedures relating to Rule 5320 and Supplementary Material .02 of FINRA to settle these allegations.
5. On January 26, 2018, Stifel entered into an AWC with FINRA to settle allegations that the firm failed to report to the Trade Reporting and Compliance Engine ("TRACE") transactions in TRACE-eligible securitized products within the time required by FINRA Rule 6730. While not admitting

or denying these allegations, the firm agreed to a censure and a fine of \$17,500.

6. In June 2017, Stifel entered into an AWC with FINRA to settle allegations that Stifel did not provide timely disclosures to a municipal issuer in connection with its role as placement agent in a placement of bonds issued by the municipal issuer in accordance with interpretive guidance issued by the MSRB regarding MSRB Rule G-23. In May 2012, Stifel recommended that the issuer do a placement, in lieu of a public offering, in order to save on debt service costs. The issuer accepted Stifel's recommendation and agreed that Stifel would serve as placement agent. However, Stifel did not provide the disclosures regarding its role in a timely manner. As a result, the firm was alleged to have violated MSRB Rule G-23 by serving as both financial advisor and placement agent on the same issue. While not admitting or denying the allegations, Stifel agreed to a regulatory censure and a monetary fine of \$125,000.
7. On November 3, 2017, Stifel entered into a consent agreement with the State of North Carolina, as part of a multi-state task force agreement, regarding the sale of securities commonly known as Auction Rate Securities ("ARS"). The state regulatory authority claimed that Stifel failed to reasonably supervise the sales of ARS by failing to provide sufficient information and training to its registered representatives and sales and marketing staff regarding ARS and the mechanics of the auction process applicable to ARS. As part of the consent agreement, Stifel agreed to pay the state \$18,088.80, to cease and desist from violating securities laws and regulations, to retain at Stifel's expense a consultant to review the firm's supervisory and compliance policies and procedures relating to product review of nonconventional investments, and repurchase certain auction rate securities from the firm's clients.
8. In March 2017, Stifel consented to the entry of a Cease-and-Desist Order ("Order") by the SEC in which Stifel was found to have violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder by failing to adopt or implement adequate policies and procedures to track and disclose the trading away practices of certain Investment Managers in several of Stifel's discretionary wrap fee programs, including information about additional costs incurred by clients as a result of the Investment Manager's use of another broker to execute transactions away from Stifel. Stifel neither admitted nor denied the findings contained in the Order, except those related to jurisdiction and the subject matter of the proceeding. Stifel made several undertakings enumerated in the Order related to the trading away practices of third-party managers, including a review and update of its policies and procedures, providing information to financial advisors and clients, and training financial advisors. Stifel was ordered to pay a civil penalty of \$300,000 and ordered to cease and desist from violating Section 206(4) and Rule 206(4)-7 thereunder.
9. On January 4, 2017, an Administrative Consent Order ("Order") was entered against Stifel and a former registered representative associated with Stifel by the Securities Division of the Mississippi Secretary of State ("Division") resolving an investigation into certain activities occurring in two branch offices during the period of September 2000 through November 2013. Without admitting or denying the findings in the Order, Stifel agreed to the entry of the Order directing Stifel to cease and desist from violating Rule 5.15 of the Mississippi Securities Act of 2010, a books and records rule, and to pay the Division \$49,500 on its behalf as well as \$500 on behalf of the former registered representative.
10. On December 6, 2016, a final judgment ("Judgment") was entered against Stifel by the United States District Court for the Eastern District of Wisconsin (Civil Action No. 2:11-cv-00755) resolving a civil lawsuit filed by the SEC in 2011 involving violations of several antifraud provisions of the federal securities laws in connection with the sale of synthetic collateralized debt obligations ("CDOs") to five Wisconsin school districts in 2006. As a result of the Order, Stifel is required to cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act, and Stifel and a former employee are jointly liable to pay disgorgement and prejudgment interest of \$2.5 million. Stifel was also required to pay a civil penalty of \$22 million. The Judgment also required Stifel to distribute \$12.5 million of the ordered disgorgement and civil penalty to the school districts involved in this matter.
11. On April 8, 2016, Stifel entered into an AWC with FINRA to settle allegations that the firm used permissible customer-owned securities as collateral for bank loans procured by the firm. However, on several occasions over a period of years, prior to performing its customer reserve calculation, Stifel substituted those loans with loans secured with firm-owned collateral. The substitution thereby reduced the amount that Stifel was required to deposit into the Customer Reserve Account. FINRA found the practice to be a violation of applicable rules, including Section 15I of the Securities Exchange Act of 1934 and Rule 15c3-3(e)(2) thereunder. Throughout the relevant period, the firm had sufficient resources to fund the Customer Reserve Account even if the substitutions had not occurred. While not admitting or denying the allegations, the firm consented to a censure and fine of \$750,000.
12. On March 24, 2016, Stifel entered into an AWC with FINRA to settle allegations that the firm executed transactions in a municipal security in an amount that was below the minimum denomination of the issue. The conduct described was deemed to constitute a violation of applicable rules. While not admitting or denying these allegations, the firm agreed to a censure and a fine of \$25,000.
13. On March 3, 2016, Stifel entered into an AWC with FINRA to settle allegations that the firm, among other things, (i) traded ahead of certain customer orders, (ii) failed to mark proprietary orders with required notations, (iii) failed to yield priority, parity, and/or precedence in connection with customer trades submitted with proprietary orders, (iv) failed to disclose required information in writing to affected customers, and (v) failed to reasonably supervise and implement adequate controls in connection with these



trades. These allegations were considered to be violations of New York Stock Exchange (“NYSE”) Rules 90, 92, 410(b), and 2010 as well as Section 11(a) of the Exchange Act. While not admitting or denying the allegations, the firm consented to a censure and fine of \$275,000.

14. On January 5, 2016, Stifel, along with one of its employees, entered into an AWC with FINRA to settle allegations that Stifel and the employee (i) failed to adequately supervise the written communication of a registered institutional salesperson who circulated communications about companies that were subject to Stifel research and (ii) failed to implement a supervisory system designed to supervise the distribution, approval, and maintenance of research reports and institutional sales material. These allegations were considered violations of various NASD Rules (including, but not limited to, Rule 2711(a)(9), 2210(d)(1), and 3010). While not admitting or denying the allegations, the firm consented to a censure and fine of \$200,000.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As set forth above, our firm is dually registered as an investment adviser and a broker-dealer, and is also a licensed insurance agency with various states. We also have a number of affiliates that are registered as investment advisers or broker-dealers (or both). In addition to being registered representatives of Stifel, some of our management persons may be registered representatives of these affiliated broker-dealers. Similarly, some of our management persons may be management persons of our affiliates, including Affiliated Managers. Finally, some of our management persons may be licensed to practice law and/or may be certified accountants in various states. These individuals do not provide legal or tax advisory services to Clients. Our parent company, Stifel Financial Corp., is a publicly traded company (ticker: SF). We generally prohibit our Financial Advisors from recommending the purchase of our parent company securities in Clients’ Advisory accounts.

The following affiliates may be involved, directly or indirectly, in the Advisory services provided to Clients in Advisory programs:

**Affiliated Managers** – We have a number of arrangements with our Affiliated Managers applicable to Clients enrolled in our programs. As of the date of this brochure, our Affiliated Managers included 1919 Investment Counsel, EquityCompass Investment Management, LLC, Washington Crossing Advisors, LLC, Stifel Capital Management, LLC, and InTyce, LLC (aka Stifel Wealth Tracker). Our affiliations with any of the entities set forth above may change and/or we may acquire new affiliates at any time, without prior notice to you. Our Affiliated Managers provide Model Portfolios and/or manage Portfolios on a discretionary basis in a number of our programs. We have a conflict of interest when our Financial Advisors recommend Affiliated Managers rather than Independent Managers, since any Product Fee received by an Affiliated Manager remains within the Stifel umbrella and may have a positive impact on the performance of our parent company stock (of which the Financial Advisor is likely a shareholder). Moreover, our Financial Advisors may develop close personal relationships

with employees and associated persons of our Affiliated Managers and, as a result, may have an incentive to recommend such Affiliated Managers over Independent Managers. To mitigate this risk, we do not pay our Financial Advisors on the basis of recommendations of Affiliated Managers or other affiliated products. In addition, we pay our Affiliated Managers in the same range as Independent Managers (i.e., Product Fees to utilize the services and/or Portfolios of Affiliated Managers is comparable to Product Fees associated with Independent Managers).

We make our Advisory programs available to investment advisory Clients sourced by our affiliate, Stifel Independent Advisors, LLC (“Stifel Independent”) – a firm that is dually registered as an investment adviser and broker-dealer. We also provide portfolio management services to some of these clients if the clients enroll in any program or Portfolio where we maintain discretion. We receive a share of the fees and/or charges paid by these Stifel Independent clients in connection with the services that we provide, and pay a portion to Stifel Independent for its services (including its Financial Advisors’ services). In our capacity as a registered broker-dealer, we also serve as clearing broker and custodian to accounts sourced by our affiliate, Stifel Independent, and make a wide range of Advisory services and support resources available to Stifel Independent’s clients. We also provide portfolio management services to some of these clients to the extent they are enrolled in a program or Portfolio where we maintain discretion. We receive a share of the fees and/or charges paid by Stifel Independent clients in connection with the services that we provide.

**Affiliated Broker-Dealers** – We have a number of affiliates that are registered broker-dealers. As a full-service broker-dealer, we self-execute client transactions and, as such, generally do not use the execution services of our affiliated broker-dealers in providing services to our Advisory clients. However, a number of our affiliated broker-dealers may serve as underwriters or otherwise participate in the distribution of securities that end up in our advisory accounts through purchases in the secondary market (NOTE that Vision Accounts do not participate in initial public offerings). Some of our affiliated broker-dealers (for example, Keefe, Bruyette & Woods (“KBW”)) also provide research used by our Financial Advisors in making investment decisions for Clients. As set forth above, we do not use these affiliates (including KBW) to execute Client trades or otherwise provide services directly to Advisory Client accounts. Your Financial Advisor can provide or direct you to a full list of our affiliated broker-dealers, upon request. Stifel does not generally provide brokerage services in connection with Vision Accounts.

**Affiliated Funds and Other Products** – As discussed above in “Additional Information on Fees and Other Compensation,” Stifel and its affiliates receive compensation from Funds and other products.

**Affiliated Trust Companies and Banks** – Our affiliated trust companies, Stifel Trust Company, National Association (“STC”) and Stifel Trust Company Delaware, National Association (“STCD”), each provide personal trust services (including serving as trustee or co-trustee, or custodian) for individuals and organizations. The fees charged by our trust affiliates are structured in a manner that is consistent with fiduciary principles

to which such entities are subject. STC's and STCD's published fee schedules provide a listing of the services for which each receives payment. A copy of the fee schedule is delivered to each trust client.

From time to time, as trustee or co-trustee, these trust affiliates may open an Advisory account in Advisory programs, and/or access other advisory services that we offer. In such cases, we generally view our client to be the affiliated trust companies (i.e., STC or STCD), not their underlying trust clients on whose behalf our affiliates are acting (even where, for example, our Financial Advisor may have referred the underlying trust client to the affiliate trust company and, as a result, indirectly shares in the trust fees received).

In connection with the insured bank deposit programs offered as cash sweep options for our Client accounts, our affiliates, Stifel Bank, Stifel Bank & Trust, STC, and STCD (each, an "Affiliated Bank" and collectively, "Affiliated Banks"), are either the sole participating deposit institutions, or the top participating deposit institutions into which idle cash swept from eligible Client accounts may be swept. From time to time, Clients may also have a direct relationship with an Affiliated Bank and hold other personal deposit and/or bank accounts at such affiliates, in which case, such Clients are solely responsible for any customary fees that are charged with respect to such deposit or other bank accounts. Cash sweep options are generally not applicable to your Vision Account, as Stifel is not providing brokerage or banking services in connection with your Vision Account; however, as a custodian for other Stifel programs and your Alter-Bill Account, we offer one or more cash sweep options, depending on the type of account that you have or are establishing (i.e., retirement versus non-retirement). See the Cash Sweep Options section below for additional information on cash sweep programs.

Furthermore, as set forth under the section "Credit Line Loans" below, our Affiliated Banks may compensate us in connection with Credit Line Loans (based on the outstanding balance) that Clients hold at the bank. Clients should therefore note that the Financial Advisor may have an incentive to recommend such Credit Line Loans and, as such, should carefully review the terms of any proposed Credit Line Loan prior to taking out any such Loan.

Finally, our Affiliated Banks may, from time to time, issue brokered certificates of deposit which we may determine to make available for purchase by our clients.

With respect to IRAs and Coverdell Education Savings Accounts, Stifel Bank serves as IRA custodian. When acting as IRA custodian, Stifel Bank does not provide and is not responsible for brokerage or advisory services for your account(s).

**Limited Partnerships and Other Private Funds** – Vision Accounts are subject to the investment limitations described above. Therefore, limited partnerships and other private funds, including Affiliated Private Funds described below, are generally not held in Vision Accounts. Nonetheless, our firm may, directly or through an affiliate, act as general partner, manager, or managing member of various investment partnerships, limited liability companies, and similar entities

(collectively referred to as "Affiliated Private Funds"). These Affiliated Private Funds are offered to eligible investors, some of whom may have Advisory accounts with us. Solicitation activities for these securities are typically made via an offering memorandum, circular, or prospectus and may only be made to clients for whom such investments are deemed suitable. Regardless of whether such funds are Affiliated Private Funds or not affiliated with us, investors will indirectly incur various fees and expenses as described in the offering documents for the applicable fund. With limited exceptions, Clients that invest in Affiliated Private Funds at Stifel are required to hold such securities in brokerage accounts. To the extent that Affiliated Funds are held in brokerage accounts, these clients are not charged Advisory Account Fees with respect to the holdings. If an exception is granted for a Client to purchase and/or hold such Affiliated Private Funds in an Advisory account, depending on the particular Affiliated Private Fund and/or the specific class, series, or type of interest held, Stifel may charge an Advisory Account Fee with respect to such securities held in the Advisory account, which Advisory Account Fee will generally be in lieu of fees charged by the Affiliated Private Funds (but in addition to any fees charged by any underlying investments in which the Affiliated Private Funds invests), or the management fee or placement fee may be waived or reduced. Alternatively, the value of such securities held in the Advisory account will be excluded from the Advisory Account Fee billing.

**Stifel Nicolaus Insurance Agency, Incorporated** – As set forth above, our firm is licensed as an insurance agency in a number of states and, as such, is able to sell insurance products to clients directly. However, in a few states, insurance products are sold through our affiliate, Stifel Nicolaus Insurance Agency, Incorporated. In such cases, the affiliate, and not our firm, will receive customary commissions paid by the insurance companies issuing Client policies. Financial Advisors who sell insurance products in such states typically are licensed as agents of the affiliate and will receive a portion of the insurance commissions paid. Any insurance is separate from our advisory services and not covered by your advisory fee.

\* \* \* \*

**Our affiliations with these entities may change and/or we may acquire new affiliates at any time, without prior notice to you.**

**Each Client should note that each relationship set forth above creates a conflict of interest for our firm and/or Financial Advisors. Our firm acts as a fiduciary with respect to all Advisory services. As a fiduciary, we take reasonable steps to ensure that all material conflicts are fully disclosed to our Clients.**

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

### Code of Ethics

In addition to Stifel Financial Corp.'s Code of Ethics Policy, which is applicable to all Stifel personnel, our Advisory personnel are also subject to our Investment Advisory Code of Ethics ("IA Code of Ethics"). The IA Code of Ethics applies to



activities that our personnel conduct in our firm's capacity as a registered investment adviser, subject to applicable fiduciary obligations. A copy of the IA Code of Ethics is available upon request. Set forth in the IA Code of Ethics are standards reasonably designed to promote honest and ethical conduct, comply with federal securities laws and governmental rules and regulations, maintain privacy of Client information, protect nonpublic information, and encourage associates to report any known violations. Such standards include placing Client interests first, avoiding any material or potential conflicts of interest, and ensuring that personal securities transactions are conducted appropriately. Compliance periodically reviews the IA Code of Ethics to ensure adequacy and effectiveness in complying with applicable regulations.

### **Participation or Interest in Client Transactions**

To the extent we execute transactions for Client accounts, Advisory transactions are generally executed on an agency basis. However, our firm may trade with Clients and seek to earn a profit for its own account (such trades generally are referred to as "principal transactions"). Principal transactions are executed at prices and commission rates that we believe are competitive and in accordance with industry practice. Although we may be able to provide a more favorable price to a Client if we purchase from or sell to our inventory of securities, we generally are not able to engage in such transactions with Advisory accounts due to regulatory requirements, which require written disclosure and consent on a trade-by-trade basis. Except as set forth below, we do not permit Advisory accounts to purchase securities in syndicated offerings from our firm or our affiliates, unless neither Stifel nor our other affiliates are underwriters for the offering and the transaction can be effected on an agency basis. We may, however, act in our capacity as a registered broker-dealer to execute principal trades (including, but not limited to, syndicate transactions) without having to obtain Client consent if the transaction is directed by an Independent Manager for the Client's wrap account in accordance with applicable law and/or regulatory guidance.

When permitted by applicable law and firm policy, we may cause Client accounts to engage in cross and agency cross transactions. A cross transaction occurs when we cause a Client account to buy securities from, or sell securities to, another Client, and our firm does not receive a commission from the transaction. We may (but are under no obligation to) cause Client accounts to engage in cross transactions. An agency cross transaction occurs when our firm acts as broker for a Client account on one side of the transaction and a brokerage account or another Client account on the other side of the transaction in connection with the purchase or sale of securities by the Client account, and our firm receives a commission from the transaction. We will have a potentially conflicting division of loyalties and responsibilities to the parties to cross and agency-cross transactions, including with respect to a decision to enter into such transaction as well as with respect to valuation, pricing, and other terms. We have adopted policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected in the manner that is most favorable to a Client account that is a party to any such transaction. Cross transactions may disproportionately benefit some Client accounts as

compared to other Client accounts due to the relative amount of market savings obtained by the Client accounts. If effected, cross or agency cross transactions are effected in accordance with fiduciary requirements and applicable law (which may include providing disclosure and obtaining Client consent). To the extent such consent is provided in advance of the cross or agency cross transactions, Clients may revoke the consent at any time by written notice to Stifel or their Financial Advisor, and any such revocation will be effective once we have received and have had a reasonable time to act on it.

Our Financial Advisors may also recommend securities issued by entities that are also clients of our firm, in our firm's capacity as investment adviser and/or broker-dealer. For example, our Financial Advisors may recommend securities of issuers that our firm has otherwise sponsored or promoted (including serving as underwriter or selling member in initial public offerings and other syndicated offerings). To the extent recommended, those securities will be purchased in the secondary market, and not during the initial or secondary offerings. We do not allow accounts over which we are serving as investment adviser to participate in offerings in which our firm is also a selling member (this limitation may not apply to transactions that are directed by unaffiliated Investment Managers on our platform, to the extent such transactions are permitted by applicable law). Client participation (if any) in such offerings must be effected in brokerage accounts, and solely in the firm's capacity as broker-dealer. Clients with brokerage accounts that determine to participate in such offerings should note, therefore, that neither Stifel nor the Financial Advisor is, in any way, acting as a fiduciary with respect to any such transactions. As associated persons of a registered broker-dealer, our Financial Advisors are generally prohibited from participating in these offerings. However, some of our affiliates may, for their own accounts or for accounts of their clients, take substantial positions in such securities. In such cases, the affiliate may indirectly benefit from our Financial Advisor's investment recommendations if (for example) the later purchase by our Client accounts of the securities (i.e., in the secondary market) cause the price of those securities to rise.

In general, our policies prohibit Stifel personnel from sharing information relating to investments made for Client accounts with affiliates or other parties, unless such parties need to know such information in order to provide services to any affected client accounts and such disclosure is permitted by law. To the extent that associated persons obtain information relating to investments by Stifel and/or an affiliate, such associated persons are prohibited from (i) passing such information to any other person who does not need to know the information in order to perform required duties and (ii) using such information to benefit a Financial Advisor or Client.

Our officers and/or employees (including our Financial Advisors) may serve on the boards of companies in Clients' portfolios. In addition, our firm or affiliates may provide services to such portfolio companies. The portfolio companies may compensate us (or our affiliates) for services with options to purchase stock or other equity interests of the portfolio companies. If an affiliate owns options or other securities issued by portfolio companies, a conflict of interest may arise between the timing of any exercise or sale of these options, and our

decisions about the same portfolio securities for Client accounts. We do not solicit such information from any affiliate.

Our firm, Financial Advisors, and affiliates frequently have access to non-public information about publicly traded companies. When this occurs, our Financial Advisors (and therefore their Client accounts) may be prohibited from trading an existing position at a time that would be beneficial to such Clients, resulting in investment losses or the failure to achieve investment gains. In other cases, we may purchase or sell the securities of an issuer at a time when an affiliate or its employees have material non-public information about such securities or their issuers if the affiliates have not otherwise notified us of their possession of such information. Our affiliates and their respective employees have no duty to make any such information available to us, and we have no duty to obtain such information from the affiliates and do not otherwise solicit such information.

### **Personal Trading**

Our employees and affiliates may invest in any Advisory programs that we offer. We have adopted various policies and procedures designed to detect and prevent the misuse of material, non-public information by employees. Our firm and affiliates, directors, officers, stockholders, employees, and members of their families may have positions in and, from time to time, buy or sell securities that we recommend to Advisory accounts. We prohibit transactions in our firm account(s) and accounts of associated persons in any security that is the subject of a recommendation of our Research department until the recommendation has been disseminated to Clients and a reasonable time has elapsed following the dissemination. Our associated persons are prohibited from buying or selling securities for their personal accounts if the decision to do so is substantially derived, in whole or in part, by reason of their employment, unless the information is also available to the investing public or through reasonable inquiry. We maintain and regularly review securities holdings in the accounts of persons who may have access to Advisory recommendations.

## **BROKERAGE PRACTICES**

### **About Our Broker-Dealer**

Vision Accounts are held at your Plan's third-party custodian and are subject to the investment limitations (i.e., Designated Investment Options) described above. Therefore, we do not generally provide brokerage services for Vision Accounts. Our firm's principal business in terms of revenue and personnel is that of a securities broker-dealer. As a broker-dealer, we execute securities transactions per client instructions. As an integral part of the services offered when providing brokerage services, Financial Advisors may provide services and provide advice about securities that are incidental to Stifel's brokerage services. However, when providing brokerage services, Financial Advisors do not make investment decisions on behalf of clients and do not charge any fees for any incidental advice given.

*Absent special circumstances, Financial Advisors are not held to fiduciary standards when providing brokerage services.* Legal obligations to disclose detailed information about the nature and scope of our business, personnel, commissions charged, material or potential conflicts of interests, and other matters are limited

when acting as a broker-dealer. Stifel does not generally provide brokerage services in connection with Vision Accounts.

### **Our Responsibilities as a Broker-Dealer**

As a broker-dealer, Stifel is held to the legal standards of the Securities Act of 1933, the Securities Exchange Act of 1934, FINRA rules, and state laws where applicable. Such standards include fair dealings with clients, reasonable and fair execution prices in light of prevailing market conditions, reasonable commissions and other charges, and reasonable basis for believing that securities recommendations are suitable.

Brokerage clients pay commission charges on a per-transaction basis for securities execution services in their brokerage accounts.

### **Error Correction**

In the event we make an error that has a financial impact on a client's account, we will seek to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. We will evaluate each situation independently.

### **Research and Other Benefits**

Financial Advisors and Clients have access to research published by our firm's research analysts ("Stifel Research"), the primary source of our research. Subject to certain exceptions, we incorporate the insights and economic perspectives of Stifel Research, where appropriate, into our products and services. *Clients should be aware that our firm may have conflicts of interest in connection with research reports published.* Stifel and other affiliates may have long or short positions, or deal as principal or agent, in relevant securities, or may provide Advisory or other services to issuers of relevant securities or to companies connected with issuers covered in research reports issued by Stifel Research. Our research analysts' compensation is not based on investment banking revenues; however, their compensation may relate to revenues or profitability of Stifel business groups as a whole, which may include investment banking, sales, and trading services. Financial Advisors also have access to proprietary models covering various securities, including (but not limited to) equities, fixed income, mutual funds, and municipal securities developed by our firm's various business areas, and may use these models in connection with managing and/or otherwise providing investment advice to Clients.

Our firm may also use research obtained from other financial institutions, including our affiliate, KBW, as well as from other affiliated or unaffiliated broker-dealers and/or investment advisers. In general, we seek third-party research that is in-depth fundamental corporate research to assist in providing advisory services to clients. We do not use commission dollars from program accounts to pay for research; our Financial Advisors have access to research from other financial institutions provided to our firm under reciprocal arrangements with Stifel Research. Our firm (or particular Financial Advisors) may also pay for independent research using hard dollars. Finally, as set forth in the *Training and Education Expenses From Fund Companies (or Managers)*, our Financial Advisors may also obtain research from firms that provide other products and services to us (for

example, a Manager may make its research reports available to our Financial Advisors). Clients should be aware that our receipt of these research services may present a conflict of interest by creating an incentive for our firm and/or Financial Advisors to recommend the investment products offered by the research provider firms (or by their affiliates). In general, our policies prohibit our Financial Advisors from basing their recommendations of Managers and/or securities on the research services received from the Manager or issuer, or any of their related persons. Research services are generally used to benefit all client accounts, whether or not such research was generated by the applicable client account. However, not all research services will be used for all client accounts; the type of research used with respect to any one account will depend on, among other things, the types of investments that are deemed suitable for the account.

## **REFERRAL PROGRAMS**

We generally do not act as investment adviser when making the referrals described in this section. You should consider the referral compensation Stifel and/or your Stifel Financial Advisor may be eligible to receive when evaluating your relationship with us and the reasonability of any fees or other charges you pay us.

### **Referrals for Trust Services**

Our parent company, Stifel Financial Corp., along with the Firm (together the “Service Providers”), have entered into Referral, Operating, and Service agreements with our affiliated trust companies – Stifel Trust Company, National Association (“STC”) and Stifel Trust Company Delaware, National Association (“STCD”) (STC and STCD, individually and collectively, sometimes referred to hereafter as the “trust companies”).

Pursuant to these agreements, STC and STCD pay the Service Providers for providing services, referral services, and client services. The Service Providers receive, on a quarterly basis, 20% of the net fiduciary fees received by STC and STCD. Specifically, the Firm pays its Financial Advisors a portion of net fees on a monthly basis for the life of the account. Fees shall not be payable with respect to those accounts for which the Service Providers do not provide the referral services or the client services. These payments create an incentive for the Financial Advisors to refer you to STC and STCD.

There may be an interim period between the time a referral is made and the time the trust companies begin to provide services.

### **Credit Line Loans**

In some circumstances, Clients are able to use Advisory account assets as collateral for variable or fixed rate credit lines (“Credit Line Loans”) offered by an Affiliated Bank. Credit line loans are not available through the Vision Program. Information on other programs is covered in separate brochures. Please consult your financial advisor for more information on the other programs offered by Stifel.

### Credit Line Loans in General.

Clients repay the principal balance and interest on outstanding balances to Stifel Bank & Trust and/or other Affiliated Bank(s). For variable-rate loans, clients have the option to repay the principal at any time without prepayment fees. If interest rates rise, your borrowing cost will also rise. For fixed-rate loans, clients may be subject to prepayment fees (as described in the loan documents) if the loan is repaid before the end of the fixed-rate contract. The proceeds of these Credit Line Loans may not be used for the purpose of (a) purchasing, carrying, or trading in securities, (b) repaying or retiring any indebtedness incurred to purchase, carry, or trade in securities, or (c) repaying or retiring any debt, and/or otherwise purchase any product or service.

If Advisory account assets are used to collateralize Credit Line Loans, the accounts are pledged to support any Credit Line Loans extended and Clients are not permitted to withdraw funds or other assets unless sufficient amounts of collateral remain to continue supporting the Credit Line Loans (as determined by the applicable Affiliated Bank, in its sole discretion). Clients may still terminate their Advisory relationship with Stifel at any time, at which time these funds or assets will be maintained in a brokerage account at Stifel. Clients pay interest to the Affiliated Bank on Credit Line Loans at customary interest rates. Certain eligibility requirements must be met and loan documentation must be completed prior to applying for Credit Line Loans.

Credit Line Loans extended by an Affiliated Bank are typically demand loans that are subject to collateral maintenance requirements. The Affiliated Bank may demand repayment at any time. If the required collateral value is not maintained, the Affiliated Bank may require additional collateral, or partial or entire repayment of any Credit Line Loans extended. Clients may need to deposit additional cash or securities as collateral on short notice or repay a partial or entire amount of the funds borrowed if the value of their portfolio declines below the required loan-to-value ratio. An Affiliated Bank may refuse to fund any advance request due to insufficient collateral. An Affiliated Bank may increase your collateral maintenance requirement at any time without notice, and may call your Credit Line Loan at any time and for any reason. Because each Affiliated Bank assigns different release rates to different asset types, in some cases, Clients may also be able to satisfy such requirements by selling securities with a low release rate and investing and/or holding the proceeds in assets that have a higher release rate for the loan. In each case, failure to promptly meet requests for additional collateral or repayment, or other circumstances including a rapidly declining market, may cause our banking affiliate to instruct us to liquidate some or all of the collateral supporting any Credit Line Loan in order to meet collateral maintenance requirements without needing your prior approval. You will not be entitled to choose the securities that will be sold. Depending on market circumstances, the prices obtained for the securities may be less than favorable. Any required liquidations may interrupt the account’s investment strategy and may result in adverse tax consequences or additional fees being assessed.

The Affiliated Banks typically pay us a fee of up to 0.25% per annum, on a quarterly basis, of the outstanding SPA Loan balance, a portion of which is paid to your Financial Advisor. In

addition, the Affiliated Banks pay Stifel up to \$50, which Stifel will then make a one-time payment to the Financial Advisor's Client Service Associate ("CSA") for the CSA's assistance to the borrower in completing the related application. Neither we nor Stifel Financial Advisors currently receive payment on other credit line loans, which is subject to change.

These payments are in addition to any Advisory Account Fees charged with respect to the Advisory assets used to collateralize the Credit Line Loan. As such, these payments present a conflict of interest for us in that they create a financial incentive for your Stifel Financial Advisor to make recommendations based on the additional compensation to be received rather than solely based on your financial needs. For example, a Financial Advisor may recommend that you open a Credit Line Loan rather than withdraw money from your Advisory accounts in order to retain the Advisory Account Fee that such assets are otherwise generating and to receive the additional compensation from the banking affiliate with respect to any outstanding Credit Line Loan balance that you maintain.

Similarly, a Financial Advisor may recommend the continued maintenance of such Credit Line Loan to retain such payments. Finally, a Financial Advisor may recommend that you invest or hold your Advisory account assets in positions that have been assigned high release rates/low release rates by the applicable Affiliated Bank for the Credit Line Loan (but which positions ultimately generate low investment returns for your Advisory account) in order to avoid maintenance calls on the Credit Line Loan which would require loan repayment and/or the liquidation of Advisory assets. Depending on your specific circumstances, including the intended use of the proceeds from the Credit Line Loan and the return on your Advisory account, over the long term, it may cost you more to take out the Credit Line Loan than if you had withdrawn the money from your Advisory account. Clients are therefore encouraged to carefully consider the total cost of taking out any Credit Line Loan, and any additional compensation that the Financial Advisor will receive, when determining to take out and/or maintain Credit Line Loans. *Finally, to the extent that a maintenance call is triggered in connection with a Credit Line Loan and we are obligated to liquidate assets in your Advisory account that have been used as collateral for such Credit Line Loan, we will act solely in our capacity as a broker-dealer (and not as an investment adviser or other fiduciary), even where such collateral is held in an Advisory account. Moreover, if selling such assets, we will seek to maximize our interest (and/or those of our Affiliated Banks), and will not prioritize a Client's interest.* **For more information, please refer to the applicable Affiliated Bank credit line agreement.**

#### **Other Important Considerations Relating to the Use of Margin or Credit Line Loans in Connection With Advisory Accounts.**

*Margin and Credit Line Loans involve risk and may not be appropriate for all borrowers. The return on your Advisory accounts must be higher than your financing cost in order for you to generate a positive return in your Advisory account. The market value of your Advisory account may decline, which may result in the value of that collateral no longer covering an outstanding loan amount. None of the Stifel, our Affiliated*

*Banks, or our Financial Advisors provide legal or tax advice. Clients should consult legal counsel and tax advisors before using borrowed funds as collateral for loans. Neither our firm nor our affiliates act as investment adviser with respect to the liquidation of securities held in Advisory accounts to meet margin calls or Credit Line Loan demands, and as creditors, our firm and our affiliates may have interests that are adverse to Clients. There are substantial risks associated with the use of borrowed funds for investment purposes and the use of securities as collateral for loans. Additional limitations and availability may vary by state.*

#### **Investment Banking**

Financial Advisors are able to introduce clients and others to Stifel's Investment Banking area. Investment Banking helps corporations with raising capital, structuring mergers and acquisitions, and navigating other complex financial issues. If Investment Banking receives any investment banking business resulting from such introductions, on the first three transactions with the client, Stifel's Private Client Group currently receives a portion of the net fees earned by Investment Banking, a percentage of which will then be paid to the Financial Advisor. It is a benefit to your Financial Advisor, and a potential conflict, to make these introductions. Where appropriate to meet the needs of a client who may not meet the minimum threshold required, Stifel's Investment Banking department may make an introduction to an unaffiliated partner firm. In these instances, the Financial Advisor making the original introduction would be paid a portion of the fees earned on each transaction.

#### **Mortgage Lending**

Residential mortgage loans are loans that are used to purchase a home, refinance an existing mortgage, or to take cash out for other purposes. These loans are secured by residential real estate and, in certain cases, brokerage account assets are used to collateralize the loan. Clients repay the principal amount borrowed to the appropriate Affiliated Bank, plus interest. These loans may have origination fees, application fees, and certain other fees and costs which are disclosed before the loan is made.

Mortgage loans are originated by Stifel Bank & Trust, Equal Housing Lender, NMLS #375103. Your Stifel Financial Advisor, however, does not offer residential mortgage products and is unable to accept any residential mortgage loan applications or to offer or negotiate terms of any such loan. Financial Advisors may refer current clients of Stifel to Stifel Bank & Trust for a mortgage loan. Where permissible by law, the Firm compensates Stifel Financial Advisors in connection with the origination of any mortgage loan. Compensation is paid after the loan is fully closed and funded.

#### **Stifel Pledged Asset ("SPA") Loan**

The SPA Loan Account is a pledged securities line of credit, made available to Stifel clients through Stifel Bank & Trust. With a SPA Loan Account, you may borrow against the value of securities or other assets in your securities account(s) for purposes other than to purchase, carry, or trade in securities. The SPA Loan Account is subject to application and credit approval by Stifel Bank & Trust. Please refer to the terms and conditions outlined in the Stifel Pledged Asset Loan Account Agreement,

which is provided separately to applicants by Stifel Bank & Trust.

## **CASH SWEEP OPTIONS**

Cash sweep options are generally not applicable to your Vision Account, as Stifel is not providing brokerage or banking services in connection with your Vision Account; however, as a custodian for other Stifel programs and your Alter-Bill Account, we offer one or more cash sweep options, depending on the type of account that you have or are establishing (i.e., retirement versus non-retirement), for available cash balances in your accounts to be swept into bank accounts with participating banks (of which our Affiliated Banks are top or sole participating banks, as discussed below) insured by the FDIC. The interest rates on deposit accounts are determined by the amount the participating banks are willing to pay minus the fees and compensation paid to us or our affiliates (discussed below). Participating banks do not have to offer the highest rates available or rates comparable to money market mutual fund yields. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

We act as your agent and custodian and engage Stifel Bank & Trust as a sub-custodian in establishing and maintaining a deposit account at each participating bank. Although the deposit accounts are obligations of the participating banks and not us, you will not have a direct relationship with the participating banks. All deposits and withdrawals will be made by us on your behalf. You may also establish direct relationships with a participating bank, open separate deposit and/or savings accounts, and obtain certificates of deposit to which higher rates might apply, but will not be provided the same level of services as those offered through our cash sweep arrangements.

You are responsible for monitoring the total amount of your deposits at any one participating bank for purposes of ensuring FDIC coverage for your funds, particularly since you may have other deposits at a participating bank of which we are unaware.

All participating banks, except Affiliated Banks, pay Stifel Bank & Trust a fee equal to a percentage (which may be as much as 7.00% annually) of the average daily deposit balance in your deposit accounts. The amount of fee received by Stifel Bank & Trust will decrease the interest rate that you will receive in connection with your deposit account balances. Stifel Bank & Trust reserves the right to increase, decrease, or waive all or part of its fees at any time.

Affiliated Banks benefit from the use of cash swept from your account(s). The Affiliated Banks receive substantial deposits at a price that may be less than other alternative funding sources available to them. Deposits in deposit accounts provide a stable source of funds for the Affiliated Banks.

The offering of the cash sweep arrangements poses conflicts of interest because the fees and benefits received by Stifel and our Affiliated Banks is an important source of our revenues. Our affiliate determines how much of the interest it keeps as its fee. Stifel and affiliates typically receive more fees when your cash is swept into the cash sweep arrangements than when you purchase a money market fund, and our Affiliated Banks benefit

from the use of cash swept from your account(s). We seek to mitigate this conflict through disclosure in this brochure and, at least as a matter of current practice which is subject to possible change, by not sharing these fees with our Financial Advisors.

## **Stifel Insured Bank Deposit Program**

If your account participates in the Stifel Insured Bank Deposit Program (the “SIBDP”) as your sweep option, then available cash balances in your brokerage account will be deposited into interest-bearing deposit accounts at one or more Affiliated Banks or unaffiliated banks (each a “Bank”).

All banks participating in the SIBDP, except Affiliated Banks, will pay Stifel Bank & Trust fees as discussed above.

In its discretion, Stifel Bank & Trust may reduce its fee and may vary the amount of the reductions between clients. The fee may vary from bank to bank. The amount of the fee received by Stifel Bank & Trust will reduce the interest rate paid by a Bank on your deposit accounts.

Moreover, Stifel Bank & Trust also receives additional financial benefits (i.e., additional deposits) and regulatory benefits (i.e., diversification of depositors) under reciprocal deposit arrangements with certain banks (including Affiliated Banks). Under these arrangements, Stifel Bank & Trust is entitled to receive and accept deposits from customers of such other banks in amounts similar or equal to amounts added to deposit accounts under the SIBDP.

Stifel receives an aggregate, annual fee of up to \$100 from the Affiliated Banks on a per-account basis in connection with accounts that participate in the SIBDP. For additional information on benefits received by Stifel and its affiliates, refer to Stifel’s website at <https://www.stifel.com/disclosures/sweep-choices/insured-deposit-account>.

## **Stifel Insured Bank Deposit Program for Retirement Accounts**

If your account participates in the Stifel Insured Bank Deposit Program for Retirement Accounts (the “SIBDPRA”) as your sweep option, available cash balances in your brokerage account will be deposited into interest-bearing deposit accounts at one or more Affiliated Banks which include Stifel Bank, Stifel Bank & Trust, Stifel Trust Company, National Association, and Stifel Trust Company Delaware, National Association (the “Banks”).

Stifel receives an aggregate, annual fee of up to \$100 from the Banks on a per-Securities account basis in connection with accounts that participate in the SIBDPRA.

For both the SIBDP and SIBDPRA programs, your Financial Advisor is currently not receiving a fee. Stifel reserves the right to pay a fee to your Financial Advisor in connection with the SIBDPRA Retirement Accounts at any time without prior notice. Upon request, Stifel will provide you with information about Stifel’s compensation arrangements with respect to its sweep investments.

Stifel and the Banks receive certain additional benefits in connection with the sweep programs. For additional information, refer to Stifel’s website at [www.stifel.com/disclosures/sweep-choices/insured-deposit-account](http://www.stifel.com/disclosures/sweep-choices/insured-deposit-account).

## Risks Associated With the SIBDP and SIBDPRA

Deposits are insured up to applicable FDIC limits. Any deposits (including deposit balances maintained through the Stifel Insured Bank Deposit Program, Stifel Insured Bank Deposit Program for Retirement Accounts, or certificates of deposit) that you maintain in the same insurable capacity directly with an Affiliated Bank or through an intermediary (such as Stifel or another broker) will be aggregated with funds in deposit accounts at the respective bank(s) for purposes of the FDIC insurance limits. You are responsible for monitoring the total amount of deposits that you have with each bank in order to determine the extent of FDIC insurance coverage available to you.

Neither Stifel nor its affiliates, including Affiliated Banks, monitor the amount of your deposited funds to determine whether those amounts exceed the FDIC insurance limits applicable to your deposits at a bank, and they are not responsible for any insured or uninsured portion of the deposit accounts at any bank.

The SIBDPRA is offered by Stifel as a broker-dealer and not Stifel Bank as your IRA Custodian or otherwise.

Additional information about the SIBDP and SIBDPRA is available on Stifel's website at [www.stifel.com/disclosures/sweep-choices/insured-deposit-account](http://www.stifel.com/disclosures/sweep-choices/insured-deposit-account)

You should review the sections "The Stifel Automatic Cash Investment Service" and "Disclosure Documents for Automatic Cash Investment" of the Stifel Account Agreement and Disclosure Booklet for the terms, conditions, and other important information relating to the applicable sweep options, including a discussion of the various conflicts that we may have in connection with such options as well as how we seek to mitigate such conflicts. You may access the Stifel Account Agreement and Disclosure Booklet, as amended from time to time, here:

<https://www.stifel.com/docs/pdf/Disclosures/AgreementAndDisclosureBooklet.pdf>, or you may request a copy from your Financial Advisor.

## **REVIEW OF ACCOUNTS**

### **Account Review**

Each new account enrolled in a Program is reviewed by the designated supervisor prior to account opening. Thereafter, Financial Advisors periodically perform account reviews.

### **Portfolio Review**

Clients in the Program may request periodic analyses of their portfolio, including performance and/or other relevant characteristics and metrics ("Reports") from their Financial Advisor(s). The information included in these Reports is verified by Stifel's advisory personnel who perform daily transaction reconciliation and performance return evaluations to identify and address the cause of any material unusual variations or inaccuracies.

## **Performance Information**

When displaying performance, our primary reporting systems typically reflect a daily Time-Weighted Return ("TWR") calculation methodology, but where specifically identified, may also present an Internal Rate of Return ("IRR"). TWR measures the performance of investments, without distorting daily values or growth rates based on the cash added or removed from an investment. IRR, on the other hand, considers the effect of all cash inflows and outflows in its calculation and is often used to measure the absolute growth of an investment over a certain period of time. In certain limited cases, we may calculate performance returns using one of our secondary reporting systems. Our secondary reporting systems generally calculate performance returns using a monthly Modified Dietz Method, which is a time-weighted method that also identifies and accounts for the timing of cash flows in the account over the period. If the date of a cash flow is not known, the systems assume a mid-month date for cash flows. Regardless of the system from which performance is calculated, a sampling of the performance returns is reviewed to confirm accuracy or compliance with presentation standards.

We rely on publicly recorded information, use various vendor systems, and/or rely on valuations provided by third-party custodians holding assets and/or accounts that are part of your relationship with us in determining the values used in our Reports. Depending on the primary reporting system, your Reports may or may not include unsupervised assets. The inclusion of unsupervised assets will distort the performance of our Advisory services. As a result, the performance on those Reports may differ from the performance shown for the same account(s) in a report that is limited to Advisory services. If you hold alternative investments where we receive periodic valuations (actual or estimated) from the associated management, administrators, and/or sponsors, you should note that we may receive delayed valuations monthly, quarterly, or less frequently. As a result, those investments may show a historic or, in certain cases, an estimated value. The actual value, once determined, may differ from the value previously reported to you, and as a result, you may not be able to realize a previously shown value upon sale or redemption. We update actual values upon receipt but will not amend previously issued Reports due to such changes.

In certain circumstances, you may notice a difference in the values displayed on custodial statements versus Reports for the same account. For example, our Reports generally include any income that is earned (accrued) but has not yet been paid by the issuer and base the figure on trade date rather than settlement date.

Regardless of the system where your Report was generated, you should carefully review the accompanying disclosure for definitions of relevant terms and calculations used, as well as other important information you should consider in your review. You should contact your Financial Advisors with any questions regarding the information in any Report that you receive.



## CLIENT REFERRALS AND OTHER COMPENSATION

In general, we require that all solicitation or referral arrangements under which our firm is acting as investment adviser (i.e., referrals to us) comply with applicable regulatory requirements, including, but not limited to, disclosures to Clients about the referral arrangement as well as any fees received (or paid) in connection with such referral at the time of the referral or execution of the Advisory Agreement. We have policies and procedures designed to deliver proper disclosures to Clients at the time of solicitation and/or account opening, which include disclosures of the solicitation arrangement, as well as the fee paid by Stifel to such solicitor (or received by Stifel) in respect of the solicitation. We require each solicitor to deliver these disclosures to each prospective Client. We also have procedures designed to confirm that all such prospective Clients sign disclosure delivery receipts, where appropriate.

Our firm may also enter into referral arrangements with other Managers, for us to act as solicitor for that Manager. Referrals made by our Financial Advisors under these arrangements are made in our capacity as a registered broker-dealer, and not as a registered investment adviser.

In addition to the arrangements set forth above, our firm also participates in the following solicitation or referral arrangements applicable to our Advisory services covered in this brochure:

### Stifel Alliance Program

Under the Stifel Alliance Program (“Alliance”), we are able to compensate individuals or companies, either directly or indirectly, for Client referrals by sharing a portion of the fees charged by our firm. Our policies prohibit our Financial Advisors from up-charging any Client to make up for the portion paid to or otherwise expended in connection with an Alliance solicitor. We and/or our associated persons may pay for registration costs (if any) relating to the solicitor to facilitate the solicitor’s state registration (if required). As a result, such solicitors may have incentive to refer clients to Stifel over other firms.

### Compensation for Client Referrals

As set forth above, our firm has entered into referral arrangements with certain other Managers, pursuant to which we (or our Financial Advisors) receive compensation for client referrals made to each such Manager. Referred clients should be aware that our Financial Advisors could have an incentive to refer the client to Affiliated Managers over Independent Managers, as the Affiliated Manager’s receipt of additional revenues for services not otherwise available through our Advisory platform would have a positive impact on our affiliated group. As of the date of this brochure, our firm had entered into referral arrangements with the following Affiliated Managers in which we have agreed to act as solicitor: 1919 Investment Counsel and Stifel Capital Management, LLC.

In addition, our Financial Advisors are able to receive compensation for referring clients to our other affiliates for services including, but not limited to, Affiliated Banks.

## Other Compensation

As set forth above under “Fees and Compensation,” we have the ability to receive Revenue Sharing from some private fund sponsors or managers to whom we refer Clients for investments. We may similarly receive payments from mutual funds in which Clients invest.

## CUSTODY

Stifel does not maintain custody of or serve as qualified custodian for Vision Account assets in connection with the services it provides pursuant to the Vision Program.

## VOTING CLIENT SECURITIES

We do not offer proxy-voting services in the Vision Program.

## FINANCIAL INFORMATION

We do not have any adverse financial conditions to disclose under this Item. Stifel does not require or solicit prepayment of client fees greater than six months in advance.

<https://www.stifel.com/disclosures/mutual-funds/other-compensation-stifel>