

## IMPORTANT INVESTMENT SOLUTIONS DISCLOSURES

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This information does not constitute accounting, legal, regulatory, tax, or investment advice or recommendations, and is not intended to meet the objectives or suitability requirements of any specific individual or account. Neither the information nor any opinions expressed herein should be construed as a solicitation or a recommendation by Lockwood or its affiliates to buy or sell any securities or investments or hire any specific manager. There is no guarantee that investment objectives will be met. An investor should assess his/her own investment needs based on his/her own financial circumstances and investment objectives. There is no guarantee that risk can be managed successfully. **All investments are subject to risk, including the loss of principal.** Diversification and strategic asset allocation do not guarantee a profit or protect against a loss in declining markets.

**Any factors discussed, including past performance of various investment strategies, sectors, vehicles and indices, are not indicative of future results.**

It is important to remember that there are risks inherent in any investment and that there is no assurance that any investment vehicle, mutual fund, asset class, style, index or strategy will provide positive performance over time. Diversification and strategic asset allocation do not guarantee a profit nor protect against a loss in declining markets. **Past performance is not a guarantee of future results. All investments are subject to risk, including the loss of principal.**

Portfolios contain open-end mutual funds and/or exchange-traded funds (ETFs). ETFs are investment vehicles that are legally classified as open-end companies or unit investment trusts (UITs) but differ from traditional open-end companies or UITs. ETF shares are bought and sold at market price (not net asset value) and are not individually redeemed from the fund. This can result in the fund trading at a premium or discount to its net asset value, which will affect an investor's value. Shares of certain ETFs have no or limited voting rights. ETFs are subject to risks similar to those of stocks.

Portfolios may include exchange-traded notes (ETNs). ETNs are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed, and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees. The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. The initial index level is the closing value of the underlying index on the creation/inception date of the note. One significant risk factor that affects an ETN's value is the credit of the issuer. ETNs are synthetic investment products that do

not represent ownership of the securities of the indices they track and are backed only by the issuer's credit. Another significant risk factor affecting ETNs is liquidity. Upon issuance, the ETNs may not have an established trading market. There is no assurance that a trading market for the notes will develop or, if one develops, that it will be maintained. Although the issuers of the notes may apply to list certain issuances of notes on a national securities exchange, the notes may not meet the requirements. Additional risks of investing in ETNs include limited portfolio diversification, price fluctuations, issuer default, uncertain principal repayment and uncertain federal income tax treatment. Clients should consult their tax advisor regarding tax treatment. Investing in ETNs is not equivalent to a direct investment in an index or index components.

**Investors should carefully consider the investment objectives, risks, charges, fees and expenses of any mutual fund, ETF or ETN. This and other important information can be found in the fund/note prospectus and, if available, the summary prospectus, which may be obtained through your financial advisor, by calling the fund issuer or visiting the respective fund company's/issuer's website, or by visiting the SEC's EDGAR website at <https://www.sec.gov/edgar/search/#>. Please read each fund's/note's prospectus and, if available, the summary prospectus carefully.**

Portfolios that invest in closed-end funds are subject to general market risk and, depending on the investment policy of a particular fund and the types of securities in which a fund invests, may also be subject to issuer, credit, interest rate, prepayment, inflation, liquidity, political, currency, and leverage risk. Shares of closed-end funds trade in the stock market based on investor demand; therefore, shares may trade at a price higher or lower than the market value of a fund's total net assets. For a complete discussion of the risks for a particular closed-end fund, investors should refer to the fund's prospectus. For a complete discussion of the risks for a particular closed-end fund, please refer to the fund's most recent prospectus, annual and semi-annual report, which may be obtained through your financial advisor. Please read the prospectus, annual and semi-annual reports carefully.

Mutual funds, ETFs and ETNs included in portfolios charge additional fees and expenses in addition to the program fee charged by Lockwood for the respective product. Mutual funds may also charge a redemption fee if shares are redeemed within a specified period of time. The amount of the redemption fee, as well as the minimum holding period, is disclosed in the respective fund prospectus. For complete details, please refer to the prospectus.

Mutual funds, ETFs and ETNs included in portfolios may use derivatives that are often more volatile than other investments and may magnify the fund's/note's gains or losses. An investment that uses derivatives could be negatively affected if the change in the market value of its securities fails to correlate adequately with the values of the derivatives it purchased or sold.

Certain ETFs utilized within portfolios have elected to be treated as partnerships for federal, state and local income tax purposes. Accordingly, investors in such ETFs will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to investors on an IRS schedule K-1. Investors should consult their tax advisors in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

Portfolios may employ the use of alternative investment strategies, which entail risks that are different from more traditional investments. Alternative investments involve a high degree of risk, including the potential for loss of some or all principal. Some alternative investment products provide limited liquidity and include, among other things, the risks inherent in investing in securities

and derivatives, using leverage and engaging in short sales. A variety of alternative investment strategies may be utilized in certain programs. Each strategy carries its own unique risks, which are more fully explained in the applicable fund/note prospectus.

With respect to Lockwood Investment Strategies (LIS), Lockwood does not attempt to manage the impact of state, local or foreign government taxes; alternative minimum tax (AMT); nor estate, gift or other taxes. Lockwood provides no tax management with respect to Lockwood Asset Allocation Portfolios (LAAP), Lockwood AdvisorFlex Portfolios, Lockwood American Funds Core Portfolios, Lockwood WealthStart Portfolios or the third-party strategist models. Lockwood is not a tax advisor, and is not responsible for, and does not guarantee, that it will minimize an investor's tax liabilities. Advisors should consult with a qualified tax professional for specific tax advice.

Lockwood is solely responsible for the fund selection and construction of the Lockwood American Funds Core Portfolios and neither American Funds Distributors, Inc. nor its affiliates are involved in such activities.

Lockwood serves as the discretionary manager for LIS, LAAP, Lockwood American Funds Core Portfolios, Lockwood WealthStart Portfolios and the third-party strategist models and, in that capacity, may change the assets, timing of portfolio changes, style and/or investment vehicle allocations within these portfolios at its discretion.

Lockwood also serves as the money manager with respect to AdvisorFlex and is responsible for developing and providing asset allocation strategies and investment selections for each asset class. Lockwood periodically reviews the asset allocation strategies and investment selections for adherence to the investment objective. Lockwood exercises limited discretion in order to implement certain model updates, which may include changes to the asset and style allocation and/or the replacement of investment vehicles. Lockwood, in its sole discretion, may rebalance a client account in such instances as are believed to be or determined by Lockwood to be in the client's best interests. Lockwood reviews each account's drift from the selected model on a regular basis and rebalances a client account as circumstances warrant.

Lockwood personnel may be invested in any of the Lockwood discretionary portfolios available; however, Lockwood has adopted a Code of Ethics, which is designed to address perceived or real conflicts between the trading activity on behalf of investors and the trading activity of Lockwood employees. Monitoring of this activity is ongoing and intended to prevent an employee from reaping any benefit or unfair advantage over an investor with respect to such trading activity.

One of the model providers available to advisors through the Lockwood advised programs is WisdomTree Asset Management, Inc. ("WisdomTree"). WisdomTree, independent from Lockwood, chooses the funds to include in its models and for proprietary funds also selects the subadvisers. Some of the WisdomTree Funds ("Funds") available within their models are subadvised by Mellon Investments Corporation ("Mellon"). Mellon is an affiliate of Lockwood and is paid a fee by WisdomTree to provide advisory services to the Funds. Where Lockwood has discretion over the accounts using the WisdomTree models a conflict exists. In order to address this conflict, the approximate fee which is received by Mellon for managing the WisdomTree funds in a model advised by Lockwood will be rebated to the client. Lockwood will obtain from Mellon the average fee rate charged in the prior quarter for the applicable Fund and calculate and apply a rebate equal to the amount charged by Mellon on a pro rata basis to each client account invested through Lockwood at the start of each quarter (or billing period if less than a full quarter). The rebate will be calculated based upon the assets in the Fund at the start of the quarter.

## **DISCLOSURE BROCHURE**

For more information about Lockwood, as well as its products, fees and services, please refer to Lockwood's Form CRS (Customer Relationship Summary) and Form ADV Part 2, Wrap Fee Brochure for Managed Account Advisor, Wrap Fee Brochure for the Lockwood Sponsored Program, Wrap Fee Program Brochure for the Managed360® Program, Wrap Fee Brochure for Co-Sponsored Programs or the Firm Brochure, as applicable, which may be obtained through your financial advisor or by writing to: Lockwood, 1800 American Boulevard, Suite 300 - Pod D, Pennington, NJ 08534, or by calling (800) 200-3033, option 3.