



## **Part 2A of Form ADV: Firm Brochure**

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*as of March 31, 2025*

This brochure provides information about the qualifications and business practices of NewEdge Wealth, LLC (hereinafter “NewEdge” or the “Firm”). If you have any questions about the contents of this brochure, please contact Nicole Davis, the Firm’s Chief Compliance Officer, at the telephone number listed above. 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 the Firm 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.

## **Item 2: Material Changes**

In this Item, the Firm is required to discuss any material changes that have been made to the brochure since the last annual amendment.

Since the last annual amendment, dated March 31, 2024, the following change has been made:

- Item 10 – Other Financial Industry Activities and Affiliations – Updated the description of the Bank Deposit Program to provide clearer information about how the program works.

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#### **Item 4: Advisory Business**

NewEdge Wealth, LLC (“NewEdge”, “Firm”, “us” or “we”) provides ultra high net worth individuals and families with a broad range of comprehensive investment advisory services. While our services depend on the specific arrangement with each client, our engagements generally include the provision of advisory services on a wrap fee basis. For more information about our wrap fee program, please see Form ADV Part 2A Appendix 1 - Wrap Fee Program Brochure, which is included as a supplement to this Firm Brochure.

The Firm filed for registration with the SEC as an investment adviser on March 1, 2020. As December 31, 2024, NewEdge had regulatory assets under management (“RAUM”) of \$12,064,984,416, of which \$11,678,424,798 was discretionary RAUM and \$386,559,618 was non-discretionary. In addition to our RAUM, NewEdge serviced \$7,052,238,897 of additional assets as of December 31, 2024, which do not meet the criteria of RAUM. In total, NewEdge advised or serviced a total of \$19,117,223,313 in client assets as of December 31, 2024. Assets “serviced by” the firm includes (i) client assets for which we provide investment advisory services, (ii) client assets for which we provide brokerage services through our affiliate, NewEdge Securities, LLC and (iii) client assets held at affiliated and unaffiliated broker dealers for which we provide supervisory oversight, support services and/or wealth strategy services. The value of certain serviced assets is based on information provided by clients and is not independently verified by the Firm.

NewEdge is a wholly owned subsidiary of NewEdge Capital Group, LLC, which is a wholly owned subsidiary of NewEdge Wealth Holdings, L.P. NewEdge Wealth Holdings, L.P. was formed on February 4, 2020 by EdgeCo Buyer, Inc. as part of a consolidation of its wealth management businesses. EdgeCo Buyer, Inc. is a wholly owned subsidiary of EdgeCo Investor Holdings, LP, a limited partnership formed in conjunction with the purchase of Mid Atlantic Capital Group, Inc. by investment funds affiliated with Parthenon Capital, LLC and Waterfall Asset Management, LLC, a registered institutional asset manager. Mr. Robert Sechan is the Co-Founder and Chief Executive Officer of NewEdge Wealth, LLC and the Co-Managing Partner of NewEdge Capital Group, LLC.

NewEdge is under common control with NewEdge Securities, Inc. (“NES”), a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), LPA Insurance Agency, a California registered insurance agency and NewEdge Advisors, LLC, an investment adviser registered with the SEC.

While this brochure generally describes the business of NewEdge, certain sections also discuss the activities of its supervised persons, which refer to the Firm’s officers, partners, private wealth advisers, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on NewEdge’s behalf and is subject to the Firm’s supervision or control.

## **Advisory Services**

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NewEdge offers a wide range of discretionary and non-discretionary investment advisory services (“Advisory Services”) including:

- Wealth Strategy and Financial Planning
- Asset Allocation
- Portfolio Construction and Asset Management
- Institutional Consulting
- Comprehensive Performance Evaluation and Reports

NewEdge, through its Private Wealth Advisers (“PWA” or “PWAs”), tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. NewEdge consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify NewEdge if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if NewEdge determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

The terms of the advisory services that NewEdge provides for each client are set forth in one or more investment advisory agreements between NewEdge and such client (“Advisory Agreement”). Some third-party platforms and programs also require an agreement directly with a client in addition to the Advisory Agreement. Clients must rely on a third party to custody their securities and other assets and to execute securities transactions. Our client’s assets are generally custodied at National Financial Services LLC (“NFS”), Fidelity Brokerage Services LLC (together with NFS, “Fidelity”), Folio Investment, Inc., d/b/a Goldman Sachs Custody Solutions (“Goldman Sachs”) and Pershing Advisor Solutions LLC (“Pershing”) (collectively, “Custodians”). Clients with assets custodied at Fidelity, Goldman Sachs, or Pershing must enter into a separate account agreement with the respective custodian.

## **Wealth Strategy**

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NewEdge offers clients a broad range of wealth strategy and investment advisory services, which may include cash flow analysis, trust and estate planning, insurance planning, retirement planning, tax planning and other investment advice. In performing these services, NewEdge relies on information received from the client or the client’s professional advisors (e.g., attorneys, accountants, etc.). We do not independently verify the accuracy of that information. NewEdge does not provide tax or legal advice.

## ***Stand-Alone Financial Planning and Consulting Services***

NewEdge can also provide financial planning and non-discretionary investment-related consulting services on a stand-alone basis regarding matters such as tax and estate planning, insurance, etc. Prior to engaging NewEdge to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement and/or Investment Consulting Agreement setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee schedule.

## **Asset Allocation**

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NewEdge believes that asset allocation and investor behavior are primary drivers of investment returns. When providing asset allocation advice, NewEdge assists clients in the review and establishment of an asset allocation plan across a client's entire portfolio and makes recommendations based on the client's investment objectives, risk tolerance and market conditions. In our discretionary program, NewEdge will monitor the client's portfolio for deviations from the asset allocation plan within certain agreed upon parameters and, for assets over which NewEdge can exercise discretion, make adjustments to bring the portfolio into conformity the client's plan.

NewEdge uses a variety of sources to create its asset allocation models including third party research from financial institutions as well as independent research from unaffiliated investment advisers that provide proactive, investment consulting and advisory services to sophisticated investors.

## **Portfolio Construction and Asset Management**

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NewEdge primarily advises clients on the allocation of their assets among various investments including but not limited to:

- PWA advised portfolios;
- Model Strategies;
- Separately managed accounts of independent investment advisers ("Independent Managers");
- NewEdge Investment Solutions strategies;
- Unaffiliated registered funds, including mutual funds and exchange-traded funds; and
- Affiliated and unaffiliated unregistered pooled investment vehicles ("Private Funds").

### *Investment Restrictions*

You can place reasonable restrictions on the types of investments to be held in your portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to, for example, the level of difficulty this would entail in managing the account or an Independent Manager's ability to accommodate them. You should contact your PWA to determine what types of restrictions you can request for your account.

### ***PWA Advised Portfolios***

NewEdge, through its PWAs, can provide investment advice on the assets in your accounts on either a discretionary or non-discretionary basis. Eligible investments include a wide variety of securities and other investments, such as foreign and domestic equity securities, investment and other grade bonds, and structured products, as well as mutual funds, ETFs, closed-end funds, unit investment trusts, real estate investment trusts, hedge funds, private equity funds, and other private placement alternative investments. Portfolios can be designed to manage client assets within a single asset class or across multiple asset classes.

Clients that decide to engage NewEdge on a non-discretionary investment advisory basis must be willing to accept that NewEdge cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, if NewEdge would like to make a transaction for a client's account, and client is unavailable, NewEdge will be unable to affect the account transaction without first obtaining the client's consent (as it would for its discretionary clients).

### ***Model Strategies***

PWAs also recommend strategies that are available through contractual arrangements with model-only providers. The Firm believes this approach helps it to solve core administrative and technology issues through flexible and open architecture solutions. NewEdge can offer solutions and services including: (1) portfolio rebalancing and tax optimization, (2) reporting and data aggregation, and (3) account reconciliation and asset transfers through electronic data feeds from trading firms, clearing firms and custodial firms.

### ***Separately Managed Accounts***

NewEdge can recommend or allocate a portion of a client's assets to certain Independent Managers to actively manage a portion of the assets in accordance with the client's designated investment objectives. In such situations, the Independent Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. NewEdge has no ability to affect the trading decisions of the Independent Managers once they are chosen but can advise on the decision to engage or terminate a particular manager. NewEdge shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that NewEdge shall consider in recommending Independent Managers include the client's designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. Please note investment management fees charged by an Independent Manager are separate from, and in addition to, NewEdge's investment advisory fee (discussed in more detail in Item 5 below).

Depending on the Independent Manager, the specific terms and conditions under which a client engages an Independent Manager can be set forth in a separate written agreement with the Independent Manager. Alternatively, NewEdge can contract directly with the Independent Manager

for the Independent Manager to advise on a sub-advisory basis. Clients can also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

*Envestnet Asset Management, Inc.*

Envestnet is an investment management firm providing investment management and advisory services through Independent Managers. Envestnet provides NewEdge with the ability to use the NFS custodial platform, or other custodial platforms, with the Independent Managers established on the Envestnet platform. Envestnet performs the initial and ongoing due diligence on Independent Managers and provides other “back office” operations needed for this type of program.

### ***NewEdge Investment Solutions***

NewEdge can provide asset management services for specific investment strategies through NewEdge Investment Solutions (“NEIS”). NEIS is a division of NewEdge actively involved in managing certain equity, structured notes, and fixed income investment strategies primarily through separately managed accounts. These or other advisory affiliates can be expected to provide additional services in the future. Further, clients investing through NewEdge are from time to time offered access to private funds, and other securities offered and/or managed by NEIS or other advisory affiliates of NewEdge.

Separately managed account strategies available to clients include those to which NewEdge (through its Chief Investment Officer) is responsible for, in whole or in part, constructing, implementing, managing and/or providing other advice (such as asset allocation or capital markets assumptions).

### ***Private Funds***

NewEdge provides investment advice regarding Private Funds, including direct investment in individual enterprises through special purpose vehicles. NewEdge, on a non-discretionary basis, recommends certain qualified clients consider an investment in a Private Fund. The fund’s offering document will outline the terms, conditions, risks, conflicts, and fees, including incentive compensation. You should carefully review a fund’s offering document prior to investing in such Private Fund.

NewEdge and its affiliates provide investment advisory and administrative services to certain affiliated Private Funds. NewEdge typically does not charge a management fee to its clients. Instead, clients investing in affiliated Private Funds are generally charged an advisory fee by their PWA, billed separately from the Private Fund’s assets (e.g., via an alternative billing account or invoice). NewEdge also allows clients of its affiliates (“Affiliate Clients”) to invest in NewEdge-affiliated Private Funds. In these cases, Affiliate Clients are subject to a management fee as outlined in the fund’s offering document and may also incur an advisory fee from the applicable NewEdge affiliate.

NewEdge’s role relative to unaffiliated Private Funds is limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to invest in a Private Fund, the amount of assets invested in the fund shall be included in the client’s investment advisory fee per the client’s



Master Investment Advisory Agreement. NewEdge's fee is in addition to the Private Fund's fees. NewEdge's clients are under absolutely no obligation to consider or make an investment in any Private Fund.

## **Institutional Consulting**

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In lieu of or in addition to signing an Advisory Agreement, certain clients enter into an Institutional Consulting Agreement with NewEdge setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to NewEdge commencing services. As Institutional Consulting Services are customizable, clients should review their Institutional Consulting Agreement to determine, which services are applicable to their arrangement. NewEdge offers the following Institutional Consulting Services:

### ***Assistance in Preparation of Investment Objectives and Policies***

NewEdge can assist in the client's review, evaluation and preparation of investment policies and objectives. NewEdge assists in developing benchmarks for the performance of the account. NewEdge can also provide performance reporting (as described below in Comprehensive Performance Evaluation and Reports) to assist the client with the ability to determine progress toward investment objectives. Where NewEdge has been retained as a non-discretionary investment adviser, the Client is responsible for monitoring compliance with their investment policies and guidelines.

### ***Asset Allocation***

NewEdge can review the client's asset allocation and will make asset allocation recommendations in accordance with the goals of the client.

### ***Investment Searches***

NewEdge assists the client in identifying and recommending investment managers and Private Funds. These recommendations are based on NewEdge analysis conducted on the Independent Managers and Private Funds. Clients can select investments outside of those covered by NewEdge analysis. However, NewEdge does not evaluate or make any representations concerning such investments and shall not assume any liability for any loss, claim, damage or expense attributable to the client's investments and investment managers not covered by NewEdge's analysis and due diligence.

## **Comprehensive Performance Evaluation and Reports**

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NewEdge provides clients with periodic evaluation reports of accounts managed by the Firm and/or other Independent Managers and Private Funds. These reports generally detail the performance and asset allocation of the accounts. NewEdge receives its information from account custodians, broker-dealers, Independent Managers, managers of Private Funds and/or other third parties and while such

information is believed to be accurate and reliable, the Firm cannot guarantee it. To the extent that erroneous information is provided to NewEdge by an Independent Manager, managers to Private Funds, broker-dealers, account custodians or other parties, the Firm is not responsible for any inaccuracies contained in the reports. At a client's request, NewEdge will consider the asset classes of investments and property that are not invested with or through one of the Firm's accounts ("Client Requested Assets") for asset allocation purposes and will report the performance of those investments relative to an appropriate benchmark but will not otherwise provide due diligence or monitoring services on such assets. Including Client Requested Assets in performance reports does not constitute investment advice or a recommendation or endorsement by NewEdge or its PWAs of any such investments.

## **Miscellaneous**

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### ***Limitations of Financial Planning and Non-Investment Consulting/Implementation Services***

To the extent requested by the client, NewEdge will provide financial planning and related consulting services regarding matters such as tax and estate planning, and insurance. NewEdge will provide such consulting services inclusive of its advisory fee (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). Please note NewEdge believes it is important for the client to address financial planning issues on an ongoing basis. NewEdge does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, NewEdge does not prepare legal documents or tax returns. To the extent requested by a client, we can recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance agents, etc.), including NewEdge's representatives in their separate individual capacities as registered representatives of NewEdge's affiliated broker-dealer, NewEdge Securities, Inc., and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional.

### ***Retirement Rollovers-Potential for Conflict of Interest***

A client or prospective client leaving an employer typically has four options, or a combination thereof, regarding an existing retirement plan:

1. Leave the money in the former employer's plan, if permitted.
2. Roll over the assets to a new employer's plan, if available and rollovers are allowed.
3. Roll over to an Individual Retirement Account ("IRA").
4. Cash out the account, which may result in adverse tax consequences depending on the client's age.

If NewEdge recommends rolling over retirement plan assets into an account it manages, a conflict of interest arises if NewEdge earns new or increased compensation from the rollover. When NewEdge provides a recommendation on whether to roll over assets—whether from an employer’s plan or an existing IRA—it acts as a fiduciary under Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable. **Clients are under no obligation to roll over retirement assets to an account managed by NewEdge.**

### ***Structured Notes***

In certain investment strategies, NewEdge purchases structured notes for client accounts. A structured note is a financial instrument that combines a debt security, and exposure to an underlying asset or assets, such as the S&P 500 Index or commodities. It is essentially a note, carrying counter party risk of the issuer. The return on a structured note is linked to the performance of the underlying asset(s), making these products unique. They can offer principal protection, leveraged returns (typically capped), and can be tailored to specific market or economic views. Additionally, if certain conditions are met and the note is held for more than one year, investors may qualify for long-term capital gains tax treatment. Structured notes also have liquidity constraints, meaning early sales before maturity may be limited. See Risks associated with Structured Notes in Item 8 below.

### ***Portfolio Activity***

NewEdge has a fiduciary duty to provide services consistent with the client’s best interest. NewEdge will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when NewEdge determines that changes to a client’s portfolio are neither necessary nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

### ***Custodian Charges-Additional Fees***

As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, NewEdge recommends one of the Custodians. Broker-dealers/custodians such as NES and the Custodians charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. When beneficial to the client, individual fixed-income and/or equity transactions will be affected through broker-dealers with whom NewEdge and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by the account custodian). These fees/charges are in

addition to NewEdge's investment advisory fee described in Item 5 below. The use of NES as the introducing broker-dealer presents a conflict of interest since an affiliate of NewEdge derives an economic benefit for the advisory engagement. However, assuming that NewEdge is engaged as a wrap program sponsor (see below), this conflict is mitigated.

### ***Tradeaway/Prime Broker Fees***

If, in the reasonable determination of NewEdge, it would be beneficial for the client, individual equity and/or fixed income transactions can be affected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian.

In the event an Independent Manager elects to utilize brokers or dealers other than the applicable Custodian to affect a transaction in a recommended security ("trade away" from the applicable Custodian), brokerage commissions and other charges for transactions not effected through a Custodian are generally charged to the client by the executing broker or dealer, whereas the wrap fee assessed by NewEdge covers the cost of brokerage commissions on transactions effected through Fidelity. In the event an Independent Manager elects to trade away from a Custodian, those transactions are generally traded from broker to broker and are usually cleared without any commissions. However, the client should be aware that, in many cases, the executing broker or dealer will assess a commission or other charges to the transaction and such costs will be in addition to the wrap fee charged by NewEdge. As a result, the net purchase or sale price reflected on trade confirmations provided by the Custodian on such trades will reflect brokerage commissions or dealer markups or markdowns charged by the executing broker, that are not separately itemized by the Custodian. Additionally, investment disciplines of Independent Managers that elect to trade away from the applicable Custodian will generally be more costly to clients than those disciplines of Independent Managers that elect to trade exclusively or primarily through the Custodian.

### ***Cross Transactions***

In limited circumstances, when determined to be in the best interest of its clients, NewEdge engages in a cross-transaction pursuant to which NewEdge affects transactions between two of its managed client accounts (i.e., arranging for the clients' securities trades by "crossing" these trades when NewEdge believes that such transactions generally, thinly traded bonds are beneficial to its clients). Such a transaction presents a conflict of interest if NES serves in an agency capacity. In addition, NewEdge has an interest in the price at which the cross trades are conducted since NewEdge's asset-based fees will be negatively impacted by lower values. The client can revoke NewEdge's cross-transaction authority at any time upon written notice to NewEdge.

## ***Client Obligations***

NewEdge is not required to verify information received from the client or the client's other professionals and is expressly authorized to rely on it. Clients are responsible for promptly notifying NewEdge of any changes in their financial situation or investment objectives to allow for a review and potential revision of previous recommendations or services.

## **Item 5: Fees and Compensation**

NewEdge offers investment advisory services on a fee basis, which includes fixed fees or fees based upon the value of its assets under management (collectively, "Advisory Fees"). Before engaging NewEdge to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with NewEdge setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

### **Wrap vs Non-Wrap Fees**

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Clients have the choice to pay NewEdge an "unbundled" fee, whereby they pay a separate fee for (1) our investment advice, (2) third-party brokerage services (including commissions) charged by broker dealers and (3) management fees charged by Independent Managers or NEIS.

If you choose to pay us an Advisory Fee as opposed to a wrap fee, you will generally pay NewEdge a lower amount. However, you would need to separately pay a broker dealer for the cost of trade execution and custody. For strategies that include a significant amount of trading, your total costs and expenses could be higher in an "unbundled" fee structure.

Many of our clients choose to be charged a single "wrap" fee. This "wrap" fee is a combination of fees covering (1) our Advisory Fees, (2) third party brokerage and trading costs, commissions, custody fees, and fees for platform administration, and reporting services, and (3) investment management fees charged by the Independent Managers and/or NEIS ("Manager Fees"). For more information about the Firm's wrap fee program, please refer to Appendix 1 to NewEdge's ADV Part 2A – NewEdge Wealth, LLC Wrap Fee Program Brochure.

Under NewEdge's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody, and reporting services for a single specified fee. Participation in a wrap program can cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in NewEdge's Wrap Fee Program Brochure.

### *Conflict of Interest.*

Because wrap program transaction fees and/or commissions are being paid by NewEdge to the account custodian/broker-dealer, NewEdge could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. See separate Wrap Fee Program Brochure for further details.

### **NewEdge Advisory Fee**

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Our Advisory Fee typically ranges from 35 to 200 basis points (0.35% – 2.00%) annually, based on assets under management. In some cases, NewEdge charges a fixed annual fee for advisory services. Fees are negotiated based on the scope and complexity, with the specific Advisory Fee detailed in the client's Advisory Agreement.

NewEdge prices its advisory services based on a combination of objective and subjective factors. Fees vary depending on the type, amount and market value of assets under management, the complexity of the engagement, and the scope of the investment advisory and consulting services provided. Other factors influencing pricing include related accounts, employee accounts, competition, and negotiations. As a result of these factors, similarly situated clients pay different fees, and comparable services may be available from other advisers at lower costs. Clients and prospective clients should consider this when evaluating NewEdge's services.

### **Legacy Advisory Fees**

Certain of our PWAs were affiliated with NewEdge Advisor (and its predecessor) prior to becoming affiliated with NewEdge Wealth. When the PWAs affiliated with NewEdge, we assumed the existing advisory agreements and fee schedule for these accounts ("Legacy Accounts"). Fees for Legacy Accounts are generally calculated quarterly in advance, based on the market value of the account at the prior month-end. The fee is calculated for a three-month period and deducted at the start of the quarter. Accounts are divided into three billing cycles: Cycle 1 bills in January, April, July, and October; Cycle 2 bills in February, May, August, and November; and Cycle 3 bills in March, June, September, and December. While some Legacy Accounts may be grouped for internal tracking, none of these Legacy Accounts are householded for fee breakpoints.

### **Investment Manager Fees**

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To the extent a client invests with an Independent Manager through our SMA Program, the Client will also pay a Manager Fee. Manager Fees generally range from 0.10% to 1.50% of AUM.

## NewEdge Investment Solutions Manager Fees

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Manager Fees are fees charged by NEIS for its management of certain investment strategies.

NewEdge Investment Solution Portfolio Strategy	Manager Fee (%)
Equity Strategies	0.25
Fixed Income Strategies	0.10
Municipal Bond Strategies	0.10
Structure Notes Strategies	0.50
OCIO Multi-Asset Strategies	0.15

NewEdge can, in its sole discretion, negotiate lower fees based upon factors, such as anticipated future earning capacity, asset amount, related accounts, account composition, legacy relationship, retention and pro bono activities, client needs, service complexity, and asset types.

Recommending proprietary investment portfolios creates a conflict of interest, as NewEdge earns more when assets are allocated to NEIS portfolios versus third-party managers. We mitigate this by (1) removing any direct financial incentive for your PWA to recommend proprietary portfolios and (2) ensuring recommendations align with your best interests. Clients are not obligated to use these portfolios.

## Wealth Strategy Services Fees

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In certain circumstances, NewEdge charges a fixed annual fee or asset-based fee for providing a broad range of financial planning, discretionary investment management, non-discretionary investment advisory services, wealth planning, and other services designed to assist ultra-high net worth clients in managing their wealth. Fees are negotiated based on the scope and complexity of the services.

## Reporting Only Fees

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At the client's request, NewEdge will charge a fixed annual or AUM-based "Reporting Only Fee" to consolidate performance reporting for investments not transacted through NewEdge but included in the client's asset allocation.

## Financial Planning Fees

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NewEdge can charge a fixed fee for providing financial planning and investment advice services under a stand-alone engagement. These fees are negotiable, but generally range from \$2,500 to \$50,000, depending upon the scope and complexity of the services and the professional rendering the services. If the client engages the Firm for additional investment advisory services, NewEdge can offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or investment advice services.

The terms and conditions of the financial planning and/or investment advice engagement are set forth in the Advisory Agreement. The financial planning fee is generally due upon delivery of the agreed services.

### **Payment of Advisory Fees**

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The Advisory Fee is prorated and charged monthly or quarterly, in advance, based upon the market value of the assets in your Accounts (“Assets”) on the last day of the previous billing period.

For the initial period of an engagement, the fee is calculated in arrears on a pro rata basis based on the value of the assets when the Account is funded. In the event an Advisory Agreement is terminated, the Advisory Fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the Advisory Fee is charged or refunded to the client, as appropriate. The Custodian will determine fair market value for Advisory Fee calculation purposes.

To the extent NewEdge receives a rebate or revenue share from an investment manager of an alternative investment for which it is receiving an Advisory Fee from the client, NewEdge shall credit the value of such rebate pro rata to its clients invested in that alternative investment.

In certain circumstances, NewEdge is authorized to use margin in the management of the client’s investment portfolio. In these cases, the Advisory Fee will be assessed gross of margin such that the market value of the client’s account and corresponding fee payable by the client to NewEdge will be increased. This results in a conflict of interest for the Firm to recommend the use of margin. PWAs must have an independent, objective investment rationale for recommending margin, ensuring alignment with the client’s financial goals and best interests.

### **Cash Positions**

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Cash and cash alternatives, such as institutional and “sweep” money market funds and bank deposit sweep programs (“Core Account Sweep Vehicles”) are included in the value of the assets being managed by NewEdge when calculating our Advisory Fees and NEIS Manager Fees. Clients should understand that the portion of the assets held in Core Account Sweep Vehicles or cash alternatives will experience negative performance if the applicable Advisory Fee or Manager Fee charged is higher than the return received on the free cash balance or cash alternative.

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), NewEdge may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances.

Core Account Sweep Vehicles are offered by custodians as a service to facilitate the efficient management of cash in accounts while awaiting reinvestment. Core Account Sweep Vehicles are generally not used as a long-term investment option. If you desire, as part of an investment strategy or



otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your PWA to discuss investment options that are available outside of the Core Account Sweep Vehicles that may be better suited to your goals.

## **Fee Discretion**

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NewEdge can, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities, the client's needs, complexity of the services required, and types of assets.

Clients can obtain some, or all, the services offered through the Firm separately from our broker dealer affiliate or from other firms, and the costs of obtaining the services separately may be more or less than the fees set forth herein.

## **Direct Fee Debit**

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Clients generally provide NewEdge and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. Financial institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to NewEdge.

## **Valuation**

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NewEdge generally relies on the prices provided directly to it by account custodians. Custodians, in turn, generally rely on prices provided by reputable, independent third parties. Different custodians value assets using a slightly different method (e.g., trade date versus settle date). As a result, if a client has assets held by a third-party custodian, the prices shown on a client's account statements provided by the custodian could be different from the prices shown on statements and reports provided by NewEdge. Therefore, in the event NewEdge bills the account, the account statement sent by Custodian may differ from the reports sent by NewEdge. Clients are encouraged to compare the statements received from custodians with the NewEdge performance statement.

Fixed income securities, including brokerage certificates of deposit, are generally priced by custodians using valuations, which may be matrix- or model based, and do not necessarily reflect actual trades. These price valuations suggest current estimated market values, which may be significantly higher or lower than the amount a client would pay (or receive) in an actual purchase (sale) of the security. These prices, which custodians obtain from various sources, assume normal market conditions, and are based on large volume transactions.

If NewEdge references private investment funds owned by the client on any supplemental account reports, the values will generally reflect either the initial purchase, the most recent valuation provided by the fund or its administrator, and adjustments for contributions and distributions since the most recent valuation. In some cases, the most recent valuations may not be available for several months after quarter-end and are typically unaudited. If the valuation reflects the initial purchase price or an outdated value, the current value, if ascertainable, could differ significantly. Unless otherwise indicated, NewEdge shall calculate its fee based upon the latest value provided by the fund sponsor or administrator, as applicable.

Custodians may be unable to price certain securities or may assign prices that do not reflect current market conditions. In the normal course of providing investment advisory services to clients, NewEdge will assess the prices assigned by custodians and other sources.

## **Additional Fees or Expenses**

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### ***Mutual Funds and ETFs***

NewEdge recommends that certain clients invest in open-end mutual funds, including money market funds, closed-end funds, exchange traded funds (ETFs), and other registered collective investment vehicles, all of which have various internal fees and expenses borne by the client. Our Advisory Fee does not include the internal management, operating or distribution fees or expenses imposed or incurred by these investment vehicles. Clients investing in mutual funds, ETFs or other pooled vehicles will incur additional costs, including internal management and operating fees, investment management and/or performance-based fees, redemption/early termination fees on liquidations. Other expenses may include fees charged by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers covering administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses. Further details on these charges and fees assessed can be found in the relevant prospectus, offering memorandum, annual report and/or custodial agreement applicable.

NewEdge generally uses institutional or advisory share classes that typically have a higher initial minimum investment and lower expense ratios as compared with other retail share classes. However, in some instances, NewEdge cannot purchase institutional or advisory share classes through third-party custodians. In other instances, NewEdge will purchase other share classes, such as load waived A shares, which do not have a sales load but typically have a higher expense ratio than institutional share classes. Clients should not assume that they will only be invested in mutual funds with the lowest expense ratio, as we consider other factors beyond expense ratios when making recommendations to our advisory clients.

## **Shareholder Service Fees**

Certain mutual funds pay Shareholder Services Fees. “Shareholder Services Fees” are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to clients whose assets are invested in those mutual funds. The payment of these fees to investments advisers, their affiliates and supervised persons can be substantial, typically ranging from 5 to 50 basis points (0.05% to .50%) of the mutual fund balance depending on the mutual fund purchased. This practice creates a potential conflict of interest in so far as the Firm and its PWAs could have a financial incentive to recommend mutual funds over other investments and higher paying mutual funds over lower paying mutual funds.

Except as set forth below, neither NewEdge, nor its affiliates or PWAs are permitted to retain any Shareholder Service Fees with respect to assets in NewEdge’s advisory account. To the extent that a fund only offers share classes that pay Shareholder Services Fee, NewEdge will credit payment received to advisory clients.

In limited instances, certain mutual funds purchased in Fidelity’s no transaction fee program (“NTF Program”) pay revenue share to NES. To mitigate this conflict, the Firm does not share these payments with its PWAs and has policies and procedures in place to ensure that clients purchasing funds in the NTF Program that pay revenue share to NES only purchase such shares when they have the lowest expense ratio of the fund’s share classes offered through NES.

Clients should also understand that the shares of certain mutual funds offered in these programs impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the funds (and not NewEdge) to deter “market timers” who trade actively in fund shares. Clients should consider these short-term trading charges when requesting liquidation of shares. These charges, as well as operating expenses and management fees, increase the overall cost to the client by 1%-2% (or more) of the mutual fund, and are described in each fund’s prospectus.

Certain ETFs are classified as partnerships for U.S. federal income tax purposes, which result in unique tax treatment, including Schedule K-1 reporting. Clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership, and disposition of such investments. Additional information is also available in the ETF prospectus, which is available upon request.

## **Independent Managers**

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NewEdge can allocate a portion of the client’s investment assets among unaffiliated independent investment managers in accordance with the client’s designated investment objectives. In such situations, the Independent Managers shall have day-to-day responsibility for the active discretionary management of the allocated assets. NewEdge shall continue to render investment supervisory

services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that NewEdge shall consider in recommending Independent Managers include the client's designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by an Independent Manager is separate from, and in addition to, NewEdge's Advisory Fee disclosed in Item 5 below.

### ***Brokerage Expenses***

NewEdge Securities, Inc., a broker dealer affiliate of NewEdge, acts as an introducing broker to affect transactions for clients through a relationship with NFS, an unaffiliated registered broker-dealer. NewEdge often recommends that clients utilize the brokerage and custody services provided by NES and NFS. Pursuant to this arrangement, trading activity for clients will typically be affected through NES and executed and cleared by NFS. Certain PWAs and employees of NewEdge are also registered representatives of NES.

In addition to the Advisory Fees and/or NEIS Manager Fees paid to NewEdge and Independent Managers, clients will also incur certain charges imposed by NES and other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions (to the extent they are not included in a wrap fee relationship), transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12 – "Brokerage Practices." In addition to the Advisory Fee, clients will bear a proportionate share of any fees and expenses associated with ADRs, GDRs, and REITs, if applicable, in which account assets are invested, and may also bear any fees and expense associated with converting non-U.S. securities into ADRs or GDRs, if applicable.

In the event an Independent Manager elects to utilize brokers or dealers other than the applicable Custodian to affect a transaction in a recommended security ("trade away" from the applicable Custodian), brokerage commissions and other charges for transactions not effected through a Custodian are generally charged to the client by the executing broker or dealer, whereas the wrap fee assessed by NewEdge covers the cost of brokerage commissions on transactions effected through Fidelity. In the event an Independent Manager elects to trade away from a Custodian, those transactions are generally traded from broker to broker and are usually cleared without any commissions. However, the client should be aware that, in many cases, the executing broker or dealer will assess a commission or other charges to the transaction and such costs will be in addition to the wrap fee charged by NewEdge. As a result, the net purchase or sale price reflected on trade confirmations provided by the Custodian on such trades will reflect brokerage commissions or dealer

markups or markdowns charged by the executing broker, that are not separately itemized by the Custodian. Additionally, investment disciplines of Independent Managers that elect to trade away from the applicable Custodian will generally be more costly to clients than those disciplines of Independent Managers that elect to trade exclusively or primarily through the Custodian.

### ***Use of Margin***

Through execution of a separate Margin Agreement, eligible clients will have the ability to borrow cash against the value of certain assets held within such program (the “Margin Program”). Except for a PWA long/short strategy, NewEdge does not recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, NewEdge will include the entire market value of the margined assets when computing its advisory fee. Accordingly, NewEdge’s fee shall be based upon a higher margined account value, resulting in NewEdge earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since NewEdge has an economic disincentive to recommend that the client terminate the use of margin. The use of margin can cause significant adverse financial consequences in the event of a market correction.

For accounts custodied at NFS, NewEdge’s affiliate, NES, receives from NFS a percentage of the margin rate charged to clients on borrowed funds, and PWAs shares a portion of this compensation attributable to their clients’ margin accounts. The receipt of this compensation creates an incentive for NewEdge and its PWAs to recommend use of the Margin Program to clients. NewEdge seeks to address this conflict of interest by disclosing to clients the payment of compensation to NES and its PWAs under the Margin Program, and by imposing suitability requirements on clients seeking to utilize the NFS Margin Program. In addition, clients must meet the credit and suitability requirements determined by NFS. Clients should carefully review the terms and conditions of the Margin Program as described in the Margin Agreement. Margin costs and expenses are separate client charges and not part of the overall Advisory Fee.

### ***Pledged Asset Loans (Non-Purpose Securities Backed Loans)***

A client who has a need to borrow money could decide to do so by using:

- **Margin:** The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client’s brokerage account as collateral; or
- **Pledged Assets Loan:** In consideration for a lender (e.g., a bank) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. NewEdge received the following economic benefits from Securities Backed Loans:

- by taking the loan rather than liquidating assets in the client's account, NewEdge continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by NewEdge, NewEdge will receive an advisory fee on the invested amount;
- if NewEdge or one of its representatives will be compensated by the Lender for making the introduction; and,
- as NewEdge's advisory fee is based upon the higher margined account value (see margin disclosure at Item 5 below), NewEdge will earn a correspondingly higher advisory fee. This could provide NewEdge with a disincentive to encourage the client to discontinue the use of margin.

### ***Affiliated Investment Products and Services***

NewEdge makes available to clients certain affiliated investment products. The use of affiliated investment products by clients raises a conflict of interest because it results in increased revenue, in the aggregate, to NewEdge and its affiliates that provide the affiliated investment products. These offerings can be limited in size and, to the extent they cannot be offered to all clients, NewEdge and its affiliates have policies in place to determine the allocation of investment opportunities, and generally allocate such investments among interested clients pro rata based on the size of each clients' requested participation or as otherwise permitted by its policies. PWAs are incentivized financially or otherwise to introduce clients to deal opportunities sourced by NewEdge's PWAs and made available through NewEdge or NES. Mid Atlantic Trust Company ("MATC"), NewEdge's affiliated trust company, also provide services to our clients, including after we recommend those services. Clients are under no obligation to use affiliated investment products or affiliated service providers. A conflict of interest exists in retaining affiliated service providers because we have an incentive to favor the retention of affiliates even if a better price and/or quality of service could be obtained from another person. We will not generally reduce our fees because of any compensation by clients with respect to affiliated investment products.

When a NEIS strategy or Private Fund advised by the Firm charges Manager Fees, the Firm and/or its affiliates will benefit from the compensation they receive for providing investment advisory, administrative or other services related to the strategy or Private Fund.

In addition, an affiliate, from time to time, may invest in the same securities that we, or our affiliates, recommend to clients. When an affiliate currently holds for their own benefit the same securities as a client, we could be viewed as having a conflict of interest.

We address these conflicts by disclosing them in this Brochure, and maintaining policies, procedures, and oversight designed to ensure PWA recommendations of strategies are in clients' best interests.

### ***Alternative Investments***

An important component of the selection process of Private Funds, such as hedge funds, private equity funds, private real estate funds and structured products, includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help the client make an informed choice. Each prospective client investor will be required to complete a subscription agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

As part of the review process, a client should consider the fees and expenses associated with a particular alternative investment. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments.

- *Management fees:* The manager for any particular investment will often charge a management fee that is based on the total value of your investment. As the value of your investment increases, the total management fees that a manager receives increases. As the value of your investment decreases, the total management fees that a manager receives may decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds.
- *Incentive-based compensation:* Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for clients. Fees related to incentive compensation are often referred to as incentive/performance-based fees or carried interest. It is important to note that these fees are in addition to management fees that are charged by the manager and that the exact calculation of incentive fees or carried interest differs by product and manager. NewEdge does not typically share in any incentive-based compensation to which an investment manager is entitled.
- *Redemption fees:* Some investments have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors.

## **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time. Clients can withdraw account assets on notice to NewEdge, subject to the usual and customary securities settlement procedures. NewEdge will consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they can be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Clients should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into an advisory account, clients should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, clients should consider and speak to us about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

## **Commissions and Sales Charges for Recommendations of NES in Brokerage Accounts**

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NewEdge's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on NewEdge's behalf and are subject to the Firm's supervision or control ("Supervised Persons") may, in their individual capacities as insurance agents or registered representatives of NES and/or other professionals be separately retained to render securities brokerage and insurance services under a separate commission-based arrangement.

Certain of the Firm's Supervised Persons are registered representatives of NES and provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. These Supervised Persons will be entitled to a portion of the brokerage commissions paid to NES, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Prior to effecting any transactions, clients are required to enter into a separate brokerage account agreement.

Clients should be aware that the Firm does not have the ongoing advisory responsibility to manage the assets held in the NES brokerage relationship. The Firm has policies and procedures to review whether an advisory client should have such a brokerage relationship.



## Compensation of PWAs

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PWAs are compensated, on an ongoing basis, based on a portion of the total NewEdge Advisory Fee and other revenue earned by the Firm. The amount of compensation received by a PWA may be more or less than what the PWA would receive if you participated in other investment programs or paid separately for investment advice, brokerage and other services through our firm or another firm. Experienced PWAs moving their practices to NewEdge and, in certain circumstances NES, may have received loans or other financial incentives based on reaching certain asset levels or revenues generated. The Firm mitigates this potential conflict of interest by imposing suitability requirements and maintaining a supervisory system that includes conducting periodic supervisory visits and compliance inspections and audits. This conflict of interest is further mitigated by fiduciary obligations and regulatory and compliance rules and procedures to which the Firm and the PWAs are subject.

### **Item 6: Performance-Based Fees and Side-by-Side Management**

NewEdge and certain of its PWAs accept performance-based (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets) fees in limited circumstances, including for select direct investments. These arrangements are typically negotiated with qualified clients, as defined under Rule 205-3 of the Investment Advisers Act of 1940, and are more common in connection with private funds, co-investment opportunities, or other alternative investments managed or advised by the Firm.

In addition to accounts subject to performance-based compensation, the Firm also manages accounts that are charged other types of fees, such as asset-based fees or fixed fees. The concurrent management of accounts with different fee structures presents certain conflicts of interest. Specifically, the Firm and its PWAs may have an incentive to favor accounts that pay performance-based fees, as these accounts may generate higher compensation if they perform well.

A key factor in mitigating is that performance-based fees are only applied to certain alternative investment offerings that are managed separately from traditional client portfolios. These investments typically follow distinct investment mandates and are subject to separate oversight, further reducing the potential for favoritism or inequitable treatment across accounts.

Additional controls implemented to address these conflicts of interest include:

- Trade Allocation Procedures: Ensuring that investment opportunities are allocated fairly and equitably across clients with similar investment objectives, in accordance with the Firm's trade allocation policies.
- Supervisory Oversight: Review and monitoring of investment activity, and allocation decisions by the Firm's compliance and investment personnel.
- Disclosure: Providing clients with clear and complete information about fees, conflicts of interest, and how such conflicts are addressed.

- Code of Ethics: All supervised persons are subject to the Firm's Code of Ethics, which requires adherence to fiduciary standards and prohibits favoring one client over another.

Clients with questions regarding fee structures, conflicts, or how NewEdge mitigates such risks are encouraged to contact the Firm's Chief Compliance Officer.

## **Item 7: Types of Clients**

NewEdge offers services to high-net-worth families and individuals, family limited partnerships, family offices, foundations, endowments, trusts, estates, charitable organizations, corporations, privately offered pooled investment vehicles and business entities.

### **Minimum Account Value**

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NewEdge does not have a minimum account value, although certain Independent Managers and Private Funds available through NewEdge have their own minimums.

### ***Fee Differentials***

NewEdge shall generally price its advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the type, amount, and market value of their assets under management, the anticipated complexity of the engagement, and the anticipated level and scope of the overall investment advisory and consulting services to be rendered. Additional factors affecting pricing can include related accounts, employee accounts, competition, and negotiations. As a result of these factors, similarly situated clients could pay different fees, and the services to be provided by NewEdge to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

### ***Conflict of Interest***

NewEdge generally compensates its PWAs based upon the revenues derived from accounts that they service. The PWA generally maintains the authority to determine/negotiate the percentage advisory fee. Thus, a conflict of interest is presented because the higher the advisory fee, the greater the PWA's, and NewEdge's, compensation.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Before NewEdge recommends an Independent Manager or Private Fund, it conducts due diligence on such Independent Manager or Private Funds, either directly through its own internal vetting process and/or through a third-party research provider. This due diligence process includes, among other things, a review of each firm's structure, trading and operations, legal and compliance issues, and investment and risk management.

## **Investment Managers and Private Funds**

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All Independent Managers and Private Funds recommended by NewEdge undergo a due diligence process that includes:

- Initial Manager Evaluation
- Quantitative Analysis
- Ongoing Monitoring

For Independent Managers, clients have access to the investment management services of Independent Managers and their different investment portfolios, including equity, balanced and fixed income. As discussed above, your PWA will assist you in selecting an asset allocation and one or more Independent Managers and investment portfolios. Those investment portfolios and the methods of analysis utilized by their Independent Managers are described in more detail in each Independent Manager's Form ADV Part 2A. Information about a fund's investment objective and policies is contained in its prospectus and statement of additional information.

## **PWA Strategies**

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Each PWA has access to various market, research, portfolio modelling and other tools and information to which he or she can refer in determining investment advice provided to clients. PWAs choose their own research methods, investment style, and management philosophy. Accordingly, the investment advice provided to each client will vary from one PWA to another. The investment strategies and advice will also vary depending upon each client's specific financial situation. As such, PWAs determine investments and allocations based upon clients' predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Client restrictions and guidelines can affect the composition of client portfolios.

NewEdge will implement its investment strategies by recommending the following types of investments:

- Equities
- Fixed Income
- Mutual Funds
- Exchange Traded Funds & Trusts
- Master Limited Partnerships
- REITs
- Options Strategies
- Structured Products
- Hedge Funds
- Private Equity Funds
- Private Credit Funds

- Trading (short and long-term purchases); and
- Margin transactions.

The foregoing is not a comprehensive list of the methods of analysis and strategies that are employed by NewEdge, nor are the descriptions necessarily the only ways in which the methods of analysis and strategies are implemented.

PWA managed portfolios are not subject to the same review and approval process as Independent Managers, or Private Funds.

## **NewEdge Investment Solutions (NEIS)**

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### ***US and International Equity Strategies***

NEIS screens stocks within defined characteristics and factors using a scoring system across multiple factors that ranks the appropriate universe of securities for each strategy. Those rankings are used to select the highest scoring securities across each sector to build a concentrated portfolio of approximately 30 securities. The core factor we seek to identify is quality. Core quality metrics include companies that demonstrate (1) positive return on invested capital (“ROIC”); (2) free cash flow, (3) earnings variability and (4) valuation. The quality factor is complemented with other factors for specific strategies including:

- Quality Income which adds companies with growing dividends to the screening process; and
- Environmental, Social and Governance (“ESG”) which screens for companies which demonstrate strong ESG components.

### ***Fixed Income Strategies***

NEIS employs a risk-controlled exposure to credit, treasuries, and alternative fixed income to optimize the diversification of portfolio duration. Tax and liquidity efficiency through a risk-factor weighted portfolio of low-cost ETFs. Excess alpha generation by a selection of securities through a bottoms-up credit research process and vetted search of third-party fixed-income SMA managers.

Core Fixed Income strategies include:

- Core Fixed Income
- Core Plus
- Enhanced Cash

We consider the following key metrics in managing the strategies:

- Tracking Error: measures how much the excess risk of the portfolio vs. the index.

- Risk Factors: measures the factors that comprise the total risk of the portfolio such as duration, credit spread, yield curve, volatility, and liquidity.
- Model Portfolio: measures and alternative benchmark that is based on risk targets.
- Liquidity and Valuation: measures the “liquidity test” of the portfolio. Valuation is based on a framework of research, relative value, and quantitative risk factors.

### ***Multi-Asset Portfolios***

These portfolios consist of multiple asset classes that are aligned with NewEdge Wealth’s Strategic Asset Allocation Models. These portfolios are rebalanced quarterly based on the views of the investment team led by the Chief Investment Officer. These portfolios consist mainly of ETFs and aim to offer a low-cost multi-asset class portfolio that aligns with our research views.

### ***Structured Notes***

The Structured Note Advisory Portfolio (“SNAP”) is a separately managed account consisting of a curated selection of individual structured notes, implemented across several market selloffs. Strategy objectives are to provide some downside protection against equity market declines and produce positive absolute investment returns over a market cycle, ultimately seeking to achieve a balance of risk and return, which is difficult to replicate in other asset classes. The portfolio consists of two “types” of notes:

- Fixed Return Structured Notes which are designed to provide opportunities to generate enhanced income or a defined income to a portfolio. These structure types are defined by their potential to achieve positive returns, even when underlying indices have negative performance over the life of the note.
- Growth Focused Structured Notes which are designed to provide opportunities to enhance returns, reduce risk – or both – in your portfolio. These structure types are defined by their potential to keep up or outperform underlying equity indices, while maintaining some component of downside principal protection.

The Structured Note Income Portfolio (“SNIP”) is a separately managed account consisting of a curated selection of individual structured notes, implemented across several market selloffs. Strategy objectives are to provide some downside protection against equity market declines and produce positive absolute investment returns over a market cycle, ultimately seeking to achieve a balance of risk and return, which is difficult to replicate in other asset classes. The SNIP portfolio utilizes structured notes that are intended to generate yield to achieve strategy objectives. These yield notes are designed to provide income in a portfolio and are defined by their potential to achieve positive returns, even when underlying equity indices have flat to negative performance over the life of the note.

## Asset Allocation

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NewEdge believes that asset allocation and investor behavior are primary drivers of investment returns. When providing asset allocation advice, NewEdge assists clients in the review and establishment of an asset allocation plan across a client's entire portfolio and makes recommendations based on the client's investment objectives, risk tolerance and market conditions. In the discretionary program, NewEdge will monitor the client's portfolio for deviations from the asset allocation plan (within certain agreed upon parameters) and, for assets over which NewEdge can exercise discretion, adjust to bring the portfolio into conformity with the client's plan.

NewEdge uses a variety of sources to create its asset allocation models including third party research from financial institutions as well as independent research from unaffiliated investment advisers that provide proactive, investment consulting and advisory services to sophisticated investors.

## Risk of Loss

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Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risks:* The profitability of a significant portion of NewEdge's recommendations and/or investment decisions may depend largely upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that NewEdge will be able to predict those price movements accurately or capitalize on any such assumptions.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasuries are highly liquid, while real estate properties are not.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Correlation Risk*: This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.
- *Counterparty/Default Risk*: This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.
- *Valuation Risk*: This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.
- *Tax Risk*: This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment. For example, a client may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment and may not be appropriate for tax qualified retirement accounts.

### ***Exchange Traded Funds***

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

### ***Use of Independent Managers***

As stated above, NewEdge can select certain Independent Managers to manage a portion of its clients' assets. In these situations, NewEdge continues to conduct ongoing due diligence of such managers, but such recommendations rely greatly on the Independent Managers' ability to successfully

implement their investment strategies. In addition, NewEdge does not have the ability to supervise the Independent Managers on a day-to-day basis. The success of the third-party manager depends on the capabilities of its investment management personnel and infrastructure, all of which can be adversely impacted by the departure of key employees and other events. The future results of the third-party manager can differ significantly from the third-party manager's past performance. While the Firm intends to employ reasonable diligence in evaluating and monitoring third party managers, no amount of diligence can eliminate the possibility that a third-party manager can provide misleading, incomplete, or false information or representations, or engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, insider trading, misappropriation of assets and unsupportable valuations of portfolio securities.

### ***Use of Private Collective Investment Vehicles and Other Alternative or Private Investments***

NewEdge recommends that certain clients invest in alternative investments, including privately placed debt or equity of companies or investments in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). These investments are less liquid than publicly traded securities with some having significant holding requirements. The managers of the collective vehicles have broad discretion in selecting the investments.

Often, the investments are not registered or subject to less registration. There are numerous other risks in investing in these securities. Clients should consult each investment's prospectus or private placement memorandum and/or other documents explaining such risks prior to investing.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client maintains, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client establishes that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

### ***Margin***

While the use of margin borrowing can substantially improve returns, it can also increase overall portfolio risk. Margin transactions are generally affected using capital borrowed from a financial institution, which is secured by a client's holdings. Under certain circumstances, the lending institution can demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the financial institution can liquidate account assets to satisfy the client's outstanding obligations, which could have adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates can have a significant effect on the profitability and stability of a client's portfolio.



### ***Derivatives***

The use of derivatives such as swaps, commodity-linked structured notes and futures entails substantial risk, including the risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). Because of this, extensive use of derivatives can magnify any gains or losses on those investments as well as the risk of any fund using derivatives.

### ***Alternatives***

Non-traditional investments strategies, including those that employ trading techniques to “short” the market, those that include exposure to nontraditional asset classes such as commodity futures and currency forwards. Clients should consider their overall allocation to alternative investments when determining the appropriateness of such a strategy. Alternatives entail substantial risk, including the risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk.

### ***Risk Relating to REITs***

Certain investment strategies offer real estate-related investment disciplines, which typically invest in common stocks of U.S. corporations. Almost all such investments will be treated for tax purposes as investments in real estate investment trusts (“REITs”). Although it is unlikely that such investments will cause a tax-exempt investor to recognize “unrelated business taxable income” (“UBTI”), no assurances can be made that no UBTI will be recognized. If any investment causes a tax-exempt investor to recognize UBTI, and that tax-exempt investor is a charitable remainder trust, all the income of the charitable remainder trust would be subject to federal income tax for the tax year in which the UBTI was recognized. Therefore, charitable remainder trusts should consult with a tax adviser before investing in real estate investment disciplines.

### ***Risks Relating to Money Market Funds***

You could lose money in money market funds. Although money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of money market funds will fluctuate and when you sell shares, they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits.

Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings are liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account. An investor should consider the investment objectives, risks, and charges and expenses of a money market fund(s) carefully before investing. A prospectus which contains this and other important information about the money market fund(s) may be obtained from your PWA. Please read the prospectus carefully before investing.

If your sweep investment is a money market fund, then the account, as well as other shareholders of the money market fund, will bear a proportionate share of the other expenses of the money market fund in which the account's assets are invested.

### **SIPC Insurance**

Money market funds and uninvested cash are covered by the Securities Investor Protection Corporation ("SIPC"). SIPC is a federal mandated U.S. nonprofit corporation that protects customer assets from financial loss in the event a broker-dealer becomes insolvent. SIPC covers securities that are held by your custodian (stocks, bonds, notes) up to \$500,000 per client capacity (e.g., individual, joint) of which \$250,000 may be cash. Money market funds receive SIPC coverage as securities, not as cash. *An investment in a Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, if it is unable to do so, it is possible to lose money by investing in the Fund. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.* Clients may obtain a more complete and definitive description of SIPC protection by visiting [www.sipc.org](http://www.sipc.org).

### **FDIC Insurance**

FDIC-insurance eligible Bank Deposit Sweep Program ("BDSP") deposit accounts ("Deposit Accounts") are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at a Bank (e.g., individual, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such account may be insured for such greater amount as may be approved by the FDIC from time to time. Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. To the extent that your deposits at a Program Bank in one ownership capacity, either through the Program or otherwise, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the limits will not be insured.

In the event a Bank fails, the Deposit Accounts at that Bank are insured up to the \$250,000 limit, or such other limit, as applicable, for principal and interest accrued to the day the Bank is closed. Neither

we nor NFS is responsible for any insured or uninsured portion of a Deposit Account. You are responsible for monitoring the total amount of deposits that you have with each Bank to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from the Deposit Accounts, you may wish to direct that the Bank be excluded from the Program Bank List applicable to your Investment Account. All funds that are not insured by the FDIC are at a risk of loss in the event of a bank failure.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 limit or such other applicable limit, as applicable, with any other deposits that you own in the same insurable capacity at the Bank. Subject to Program limits, examples of accounts that may be subject to this FDIC policy include joint accounts, and certain trust accounts including transfer upon or payable on death accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

If federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you through NFS. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC and NFS before insurance payments are made. For example, if you hold deposits as trustee or in other fiduciary capacities for beneficiaries, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of the certificates of deposit or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

### ***Risks Relating to Differing Classes of Securities***

Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders’ rights generally are more favorable than shareholders’ rights in a bankruptcy or reorganization.

### ***Tax and Legal Considerations***

You are responsible for all tax liabilities and tax return filing obligations arising from the transactions in your account or any other investment advice offered by us. Changing your investment strategy or

engaging in portfolio rebalancing transactions can result in sales of securities which subject you to additional income tax obligations. Consult your independent tax or legal advisor with respect to the services described in this Brochure. NewEdge does not provide tax, legal, accounting, estate or actuary advice, and this Brochure or any other document received from NewEdge in connection with the Platform should not be construed as providing such advice.

### ***Cybersecurity Risks***

We must rely in part on digital and network technologies (collectively, “networks”) to conduct our investment advisory business. Such networks, including those of service providers, are susceptible to cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data or causing operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. Cyber-attacks against, or security breakdowns, of us or our service providers, if applicable, may adversely impact us and our clients, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of our clients; reputational damage; and/or additional costs. The Firm may incur additional costs related to cybersecurity risk management and remediation. In addition, cybersecurity risks may also impact issuers of securities in which we invest on behalf of our clients, which may cause our clients’ investment in such issuers to lose value.

### ***Risks Relating to Structured Products***

Investments in structured products (generally senior unsecured debt obligations linked to the performance of an underlying market measure) (all such products, “Structured Products”) are subject to a number of risks, including credit risk, market risk, and liquidity risk. Structured Products typically have a specified maturity date and payout profile determined by the performance of an underlying, or basket of underlying, market measures. Structured Products are generally designed to provide some level or combination of principal protection, downside market risk mitigation, enhanced income, or enhanced returns relative to the performance of the underlying market measure. As a Senior Unsecured Debt Obligation, the payout at maturity is dependent on the issuer’s ability to pay off its debts as they mature. While there is generally liquidity provided by the issuer of a Structured Product prior to maturity, there is no guarantee of a secondary market. In the case that there is a secondary market provided, the sale price may be significantly less than what would be the maturity value due to factors such as volatility, interest rates, credit quality and risk appetite. The value of an investment in a Structured Product will reflect the then-current market value of the Structured Product as calculated by the issuer and will be subject to all the risks associated with an investment in the underlying market measure along with the risks and factors described above. Investors in structured products will not own or have any claim to the underlying market measure directly and will therefore not benefit from general rights applicable to the holders of those assets, such as dividends and voting rights. Notes are not insured through any governmental agency or program and the return of principal

and fulfillment of the terms negotiated by NewEdge on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due.

Structured notes purchased for clients will not be listed on any securities exchange. There may be no secondary market for such structured notes, and neither the issuer nor the agent will be required to purchase notes in the secondary market. Some of these structured financial products are callable by the issuer only, therefore the issuer (not the investor) can choose to call in the structured notes and redeem them before maturity. In addition, the maximum potential payment on structured notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the structured notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index.

While the payment at maturity of any structured notes would be based on the full principal amount of any note sold by the issuer, the original issue price of any structured note purchased for clients includes an agent's commission and the cost of hedging the issuer's obligations under the note. As a result, the price, if any, at which an issuer will be willing to purchase structured notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured notes will not be designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

If the client seeks to prohibit or limit the purchase of structured notes for the client's account, the client can do so, in writing, addressed to NewEdge' Chief Compliance Officer.

### ***Coronavirus Outbreak Risks***

The recent global outbreak of the 2019 novel coronavirus (“COVID-19”), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect certain investments and the industries in which they operate. Furthermore, our ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out clients’ investment strategies and objectives and our business and to satisfy its obligations to clients and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among our personnel and service providers would also significantly affect our ability to properly oversee the affairs of clients (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a client’s investment activities or operations.

### ***Risks Related to Socially Responsible Investing Limitations***

Socially Responsible Investing involves the incorporation of ESG considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by NewEdge), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

### ***Risks Related to Cryptocurrency***

For clients who want exposure to cryptocurrencies, including Bitcoin, NewEdge will consider investments in corresponding exchange traded securities, and/or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications with codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated, and their price is determined by the supply and demand of their market. Cryptocurrency is currently considered to be a speculative investment. The speculative nature of

cryptocurrencies notwithstanding, NewEdge may (but is not obligated to) utilize crypto exposure in one or more of its asset allocation strategies for diversification purposes. **Please Note:** Investment in cryptocurrencies is subject to the potential for liquidity constraints, extreme price volatility and complete loss of principal.

#### *Notice to Opt Out*

Clients can notify the NewEdge, in writing, to exclude cryptocurrency exposure from their accounts. Absent NewEdge's receipt of such written notice from the client, NewEdge may (but is not obligated to) utilize cryptocurrency as part of its asset allocation strategies for client accounts.

#### ***Risks Related to Options Strategies***

From time-to-time, NewEdge engages (or hires a separate account manager to engage) in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract is made with the intent of "hedging" a potential market risk in a client's portfolio and/or generating income for a client's portfolio. Please Note: Certain options-related strategies (i.e. straddles, short positions, etc.) in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. Considering these enhanced risks, client can direct NewEdge, in writing, not to employ any or all such strategies for his/her/their/its accounts. Please Also Note: There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, he/she must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

#### *Covered Call Writing*

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) losing ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

### *Long Put Option Purchases*

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought, strike price and expiration. In the event that the security is put to the option holder, it will result in the client (option seller) losing ownership in the security and incurring potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

### ***Investment in Investment and Private Funds Managed by Clients***

Certain of the investments and Private Funds (“Investment Funds”) in which NewEdge recommends an investment are managed by investment management firms owned in whole or in part by NewEdge or its affiliates’ clients or hold notes or other securities issued by NewEdge’s or its affiliates’ clients, and NewEdge is aware of such investments. The fact that certain of the Investment Funds are managed by investment management firms owned in whole or in part by NewEdge’s or its affiliates’ clients, or hold notes or other securities issued by NewEdge’s or its affiliates’ clients, can, under certain facts and circumstances, potentially alter NewEdge’s objectivity in determining whether to recommend an investment in such Investment Funds and/or whether to recommend a withdrawal or redemption from such Investment Funds. NewEdge does not expect, however, that it would ever make portfolio management decisions that would be different from the decisions it would make if such potential conflict did not exist.

\*\*\* This list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in connection with the Firm’s investment offerings or the management of client accounts. In addition, prospective clients should be aware that, as a client’s investment portfolio develops and changes over time, the account will be subject to additional and different risks.

### **Item 9: Disciplinary Information**

NewEdge has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

### **Item 10: Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations. As indicated at Item 4 above, NewEdge does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, NewEdge does not prepare legal documents, or prepare tax returns. To the extent requested by a client, we can recommend the services of other professionals for non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.), including NewEdge’s representatives in their separate individual



capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional.

### ***Conflict of Interest***

The recommendation that a client purchases a securities or insurance commission product from a NewEdge representative in his/her individual capacity as a representative of NES and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions will provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. The fees charged, and compensation derived from the sale of such insurance and/or securities products, are separate from, and in addition to, NewEdge's investment advisory fee. No client is under any obligation to purchase any securities or insurance commission products from any NewEdge representative. Clients are reminded that they can purchase securities and insurance products recommended by a NewEdge representative through other, non-affiliated broker-dealers and/or insurance agents.

### ***NewEdge Securities, Inc.***

NewEdge's PWAs, officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on NewEdge's behalf and are subject to the Firm's supervision or control ("Supervised Persons") may, in their individual capacities, as insurance agents or registered representatives of a broker-dealer, including our affiliated broker dealer, and/or other professionals be separately retained to render securities brokerage and insurance services under a separate commission-based arrangement.

The Firm's Supervised Persons, in their individual capacities as registered representatives of NES, can provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Supervised Persons will be entitled to a portion of the brokerage commissions paid to NES, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds, if any.

Clients should be aware that the Firm does not have the ongoing advisory responsibility to manage the assets held in the NES brokerage relationship. The Firm has policies and procedures to review whether an advisory client should have such a brokerage relationship.

Management personnel of our Firm are also officers of NES. In their capacity as supervisory principals of NES, they also devote time to the oversight of the operations of that broker/dealer.

### ***NES's Bank Deposit Sweep Program***

All free cash balances in eligible retirement accounts, including individual retirement accounts (IRAs) and accounts in plans covered by the Employment Retirement Income Securities Act of 1974, as amended (with the exception of Keogh plans and 403(b) plans) held at National Financial Services

sweep into the Bank Deposit Retirement Sweep Program (“RSP”). RSP is the sole sweep investment option for free cash balances in eligible retirement accounts held at National Financial Services.

All free cash balances in eligible non-retirement accounts held at National Financial Services sweep into the Bank Deposit Sweep Program (“BDSP”, and together with RSP, the “Program”), which is the only sweep option available for settling transactions and holding free cash balances in eligible non-retirement accounts. Credits created by deposits, sales, interest, and dividends are swept into the Bank Deposit Sweep Program.

In the Program, cash balances in eligible accounts are deposited or “swept” into interest-bearing FDIC-insurance eligible Program deposit accounts (“Deposit Accounts”) at one or more FDIC insured depository institutions that participate in the Program (collectively, “Program Banks”). The Deposit Accounts are eligible for Federal Deposit Insurance Corporation (“FDIC”) insurance in the manner described in the Disclosure Document, which you should read carefully. The Disclosure Document, the Program Bank List and current interest rates can be accessed at

<https://www.newedgecapitalgroup.com/brokerage-sweep/> or obtained from your PWA. **The maximum amount of FDIC Insurance coverage for your deposits in the Program is up to \$2.5 million (for an individual account) or up to \$5 million (for a joint account), subject to the total amount on deposit in an account, applicable FDIC rules, and Bank availability.**

Each Deposit Account in the Program constitutes a direct obligation of the Program Bank to the depositor and is not directly or indirectly an obligation of NES or NFS. Neither NES nor NFS guarantee in any way the financial condition of the Program Banks or the accuracy of any publicly available financial information concerning such Banks. The establishment of a Deposit Account does not create a direct account relationship between the depositor and the Program Banks. To the extent available in your account NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Program Bank and make deposits to and withdrawals from the Deposit Accounts.

#### *Interest Rates.*

The interest rate you will receive is based upon your Program Deposits in accordance with interest rate tiers or, in the case of retirement accounts, monthly account fees determined by NES. Deposits in the Program are placed at Program Banks that are part of the deposit network of IntraFi Network LLC (the “Program Administrator”). Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment sweep vehicles that are non-FDIC-insured bank account deposits offered outside the Program or on other investment options outside of the Program.

The interest rate for your Deposit Account and current annual percentage yield and interest rates for Program Deposits may be obtained from your advisor or on our website at <https://www.newedgecapitalgroup.com/brokerage-sweep/>.

There are two methods by which interest is calculated and earned through the Program.

- For most account types, interest rates on each Deposit Account are tiered (“Tiered Structure”) and will vary based upon prevailing economic and business conditions. The interest rate applied to each of your Deposit Accounts will be based on its assigned tier, as determined by NES, based upon the value of the Program Deposit in each individual Deposit Account. Different interest rates can apply to different Eligible Accounts depending on the free cash balance in each such account.
- For eligible retirement accounts, interest earned is not based on the Tiered Structure. Instead, interest on all eligible retirement accounts will be calculated and paid based on a level fee structure as further described below.

The interest rate you receive on non-retirement Deposit Accounts is based on the amounts paid by the Program Banks to NES, less fees retained by NES and NFS. The combined maximum revenue that NewEdge and NFS can earn is limited to the Federal Funds Target Rate (as can be found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25% (net of third-party fees) as determined by the total deposit balances at all of the Program Banks over a 12 month rolling period (including brokerage accounts introduced by NES). In NES’ discretion, they may reduce its fee and may vary the amount of the reductions among clients. The fee NES receives may vary from bank to bank. NES may share a portion of its fee with your PWA. The amount of fee received will affect the interest rate paid to customers by NFS. In addition to NES’ fee, other service providers with respect to the Program will receive fees from each Bank.

With respect to eligible retirement accounts, NES receives a level monthly fee for each such account that participates in RSP. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate published by the Federal Reserve System. NES’ per account monthly fee, as explained in the Disclosure Document, will be no less than \$0.10 and no more than \$41.25. It is generally anticipated that the fee NES charges will be offset by the total amounts paid to it by the Program Banks. If NES do not receive sufficient payments each month from the Program Banks, NES reserves the right to debit your advisory retirement account for the amount of any shortfall.

#### *Conflict of Interest*

NES, NFS and the Program Administrator receive fees for providing the Program to clients. These fees reduce the amount of interest you receive on your Program Deposits. The Program is designed so that, based on economic circumstances, clients receive interest on Program Deposits, and NES, NFS, and the Program Administrator receive a portion of the interest paid by the participating Program Banks as fees. In addition to the fees paid to NES by the participating Banks, cash balances you maintain in the Program are included in the value of account assets used to calculate the management fees and other asset-based fees we charge to investment advisory accounts.

The revenue generated by NES through the Program may be greater than revenues generated by other sweep options available to clients at other brokerage firms and may be greater than other core

account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future. As a result of the fees and benefits described above, the Program may be significantly more profitable to NES than other available sweep options, if any.

In certain rate environments, Program Banks may also have the opportunity to earn income on Program assets through lending activity. Through the Program, each Program Bank will receive a stable, cost-effective source of funding. Each Program Bank intends to use deposits in the Deposit Accounts at the Program Bank to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or “spread,” between the interest rate paid on the Deposit Accounts at the Program Banks and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by the Program Banks on those loans and investments made with the funds in the Deposit Accounts.

Program Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. 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. In addition, fees that are paid to NES, NFS, and the Program Administrator will affect the interest rate paid on the Deposit Accounts and may have a greater impact on the interest rate you receive than the amount of interest paid by each bank. The Program is the core account investment vehicles for eligible accounts offered by NES as a service to facilitate the efficient management of cash in the account while awaiting reinvestment. The Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your PWA to discuss investment options that are available outside of the Programs that may be better suited to your goals. The Program is intended to operate on a nondiscretionary allocation methodology. Neither the NewEdge, its representatives, its affiliates nor its advisors provide investment advice or recommendations regarding your use of the Program, its operation or the Program Banks.

NewEdge and NES seek to address the foregoing conflicts by disclosing them to clients, such as in this Brochure, adopting objective methodologies for determining interest rates and fees, and limiting compensation earned by PWAs from revenue generated by the Program. Clients should refer to the “Fees and Compensation – Other Firm Compensation” section above for further information on such compensation and any conflicts of interests that may arise as a result thereof and steps NewEdge takes to mitigate such conflicts.

Should you have any questions regarding the Program, Program Banks, current interest rates or NES’ compensation, please refer to [www.newedgecapitalgroup.com](http://www.newedgecapitalgroup.com) or direct any questions you may have to your PWA.

## **Mid Atlantic Trust Company**

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NewEdge is under common control with MATC, a South Dakota non-depository trust company which could handle the custody, directed trustee, paying agent, and reporting services for corporate retirement plans, and custody of mutual fund and ETF assets for some clients of NewEdge to the extent recommended by their PWA. While NewEdge would not be directly compensated by MATC for revenue generated due to this arrangement, it would benefit indirectly, due to the companies being under common control.

While NewEdge and its PWAs at all times put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself would create a conflict of interest and may affect the judgment of these individuals when making recommendations.

## **NewEdge Advisors, LLC**

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NewEdge Advisors, LLC is an investment adviser registered with the SEC that provides investment advisory services to retail investors. Investment adviser representatives of NewEdge Advisors can recommend NEIS investment strategies and act as a solicitor for NewEdge.

## **Licensed Insurance Agents**

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A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that NewEdge recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## **Relationship with Fidelity**

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NES maintains a business relationship with Fidelity, a broker-dealer registered with the SEC and a member of FINRA and SIPC, which provides the Firm with operational and back-office support including access to a network of service providers. In addition, certain of the Firm's Supervised Persons are registered representatives of NES and/or principals of the Firm's parent company and provide clients with securities brokerage services under a separate commission-based arrangement.

Through Fidelity's network of service providers, the Firm has access to trading technology, transition support, reporting, custody, brokerage, investments, compliance, and other related services. The Firm reviews all such relationships, including the service providers engaged through NES, on an ongoing basis to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

## **Conflicts of Interest**

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Clients should be aware that the receipt of additional compensation by NewEdge and its management persons or employees creates a conflict of interest that can impair the objectivity of our firm and these individuals when making advisory recommendations. NewEdge endeavors always to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- we conduct periodic reviews of each client account to verify recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we ensure that any conflicts of interest in such activities are properly addressed;
- we educate our employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

## **Item 11: Code of Ethics**

NewEdge has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. The Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading of the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain NewEdge personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly affect for themselves or for

their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to certain types of securities. Clients and prospective clients may contact NewEdge to request a copy of its Code of Ethics.

## **Item 12: Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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If the client requests that NewEdge recommend a broker-dealer/custodian for execution and/or custodial services, NewEdge currently recommends that investment advisory accounts generally be maintained with NES, NFS, r Fidelity, Goldman Sachs and/or Pershing. Prior to engaging NewEdge to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with NewEdge setting forth the terms and conditions under which NewEdge will advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that NewEdge considers in recommending NES, and/or the Custodians (or any other broker-dealer/custodian to clients) include historical relationship with NewEdge, financial strength, reputation, execution capabilities, pricing, research, and service. To the extent that a transaction fee is payable, NewEdge has a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where NewEdge determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although NewEdge will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

### **Software and Support Provided by Financial Institutions**

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NewEdge and its affiliates receive without cost from Fidelity computer software and related systems support, which allows NewEdge to better monitor client accounts maintained at Fidelity. NewEdge receives software and related support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The software and support are not provided in

connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support benefit NewEdge, but not its clients directly. In fulfilling its duties to its clients, NewEdge always endeavors to put the interests of its clients first. Clients should be aware, however, that NewEdge’s receipt of benefits from a broker/dealer creates a conflict of interest since these benefits could influence the Firm’s choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, NewEdge and its affiliates receive the following benefits from Fidelity:

- receipt of duplicate client confirmations and bundled duplicate statements;
- access to a trading desk that exclusively services its institutional traders;
- access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- access to an electronic communication network for client order entry and account information.

#### ***Research and Benefits:***

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, NewEdge can receive from NES and/or the Custodian (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist NewEdge to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by NewEdge can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support (including client events), computer hardware and/or software and/or other products used by NewEdge in furtherance of its investment advisory business operations. Certain of the benefits that could be received can also assist NewEdge to manage and further develop its business enterprise and/or benefit NewEdge’s representatives.

There is no corresponding commitment made by NewEdge to NES and/or the Custodians, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

#### **Brokerage for Client Referrals**

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NewEdge does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.



### ***Directed Brokerage***

NewEdge recommends that its clients utilize the brokerage and custodial services provided by NES and NFS. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be affected through a specific broker-dealer/custodian, other than one generally recommended by NewEdge. In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by NewEdge. As a result, a client could pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. If the client directs NewEdge to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction could cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through NewEdge. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

### **Commissions or Sales Charges for Recommendations of NewEdge Securities, Inc.**

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As discussed in Item 5 above, certain Supervised Persons in their respective individual capacities are registered representatives of NES. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless NES provides written consent. Therefore, clients are advised that certain Supervised Persons are restricted from conducting securities transactions through NES if they have not secured written consent from NES to execute securities transactions through a different broker-dealer. Absent such written consent or separation from NES, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than NES under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Trade Aggregation**

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Transactions for each client account generally will be affected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm’s client’s differences in prices and commissions or other transaction costs that might have occurred had such orders been placed

independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will generally be included in the “batch” transaction. If the employee trades outside the “batch”, the Firm has policies and procedures to monitor such transaction to ensure that the conflicts of interests are mitigated. o The Firm shall not receive any additional compensation or remuneration as the result of such aggregation.

Depending on the custodian, NewEdge (or NES on its behalf) will “batch” trades at each Custodian. Additionally, NewEdge can also “batch” trade at one firm (typically, NFS), and allocate the applicable trades to each Custodian for distribution to each client account. The choice on how to do so is based on a variety of factors, including but not limited to system limitations and administrative convenience.

If NewEdge “batches” trades at each Custodian for its NEIS strategies, in an effort to minimize conflicts of interest and to help avoid potentially volatile price movements caused by the entering of Client orders into the market simultaneously, NewEdge maintains a trading rotation whereby generally, its orders are executed sequentially for each Custodian. An expected recognized by-product of this rotational process is that clients across Custodians likely will receive different prices for their orders based on the time (and date, in cases where an order continues beyond a single trading day) that such orders are executed, or an order may never be executed because of price sensitivity or lack of liquidity. Nevertheless, it is NewEdge’s good faith and reasonable determination that over time no one custodial trading group or client within a trading group is regularly advantaged or disadvantaged by its rational approach to trade order rotation.

## **Item 13: Review of Accounts**

### **Portfolio Reviews**

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NewEdge monitors client portfolios on a regular and ongoing basis. Client reviews are conducted periodically. Such reviews are generally conducted by the Firm’s PWAs. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with NewEdge and to keep the Firm informed of any changes thereto.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time to time or as otherwise requested, clients also receive written or electronic reports from NewEdge and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account

statements they receive from their custodian with any documents or reports they receive from NewEdge or an outside service provider.

#### **Item 14: Client Referrals and Other Compensation**

NewEdge has entered into an intercompany solicitation arrangement with NewEdge Advisors, LLC, whereby investment advisor representatives of NewEdge Advisors can receive a referral fee for referring clients to NewEdge.

NewEdge maintains solicitor arrangements/pay referral fee compensation to certain unaffiliated third parties for new client introductions.

#### **Participation in Fidelity Wealth Advisor Solutions®.**

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NewEdge participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which NewEdge receives referrals from Fidelity Personal and Workplace Advisors LLC (“FPWA”), a registered investment adviser and Fidelity Investments company. NewEdge is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control NewEdge, and FPWA has no responsibility or oversight for NewEdge provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for NewEdge, and NewEdge pays referral fees to FPWA for each referral received based on NewEdge’s assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to NewEdge does not constitute a recommendation by FPWA of NewEdge’s particular investment management services or strategies. More specifically, NewEdge pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA; and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, NewEdge has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by NewEdge and not the client.

To receive referrals from the WAS Program, NewEdge must meet certain minimum participation criteria, but NewEdge has been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, NewEdge has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and NewEdge and its PWAs could have an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether those clients were referred to NewEdge as part of the WAS Program. Under an agreement with FPWA, NewEdge has agreed that its PWAs will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, NewEdge

has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when NewEdge's fiduciary duties would so require, and NewEdge has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, NewEdge has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit NewEdge's duty to select brokers on the basis of best execution.

### **Participation in Third Party TAMPs and Solicitor Agreements**

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NewEdge participates in certain turnkey asset management programs ("TAMP"), through which NewEdge receives referrals from TAMP operators. On these platforms, NewEdge may act as a Sub-Manager for the management of assets in its structured notes advisory strategies ("Structured Note Strategies"). In exchange for these referrals, the TAMP operators may charge ongoing fees to NewEdge or receive a portion of the investment advisory fees paid to NewEdge through the applicable TAMP.

NewEdge has engaged HALO Investment Services, LLC ("HALO"), a SEC registered investment adviser as its solicitor for the purpose of distributing NewEdge Structured Note Strategies. HALO receives a portion of the investment advisory fees paid to NewEdge through this arrangement. As a result, HALO has a potential conflict of interest to recommend an investment in the Structured Note Strategies. HALO is not a current client of, or investor in any product offered by NewEdge; however, HALO is a current service provider to NewEdge. NewEdge can execute its structured notes trades on HALO's electronic trading platform, through its affiliate broker dealer, HALO Investing, Inc. HALO Investing, Inc. receives a commission for each trade that NewEdge executes through its platform. Accordingly, potential investors should recognize that any such recommendation by HALO will be potentially influenced by the foregoing considerations.

### **Referrals for Banking and Lending Services**

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PWAs can refer clients to unaffiliated third-party firms for certain services, such as lines of credits, mortgages and other investment-related services. In making such referrals, we will seek to identify reputable unaffiliated third parties who offer commercially reasonable terms, but do not undertake to perform any level of due diligence on or ongoing monitoring of such third parties or to search for the providers who offer the most favorable terms to clients. Clients should carefully evaluate these unaffiliated third parties and their terms of service relative to other providers in the marketplace before entering into a service relationship with them. **In certain cases, these referral arrangements will involve the payment of referral fees to, or participation in revenue sharing arrangements with, NewEdge, and potentially the PWAs making the referral.**

In addition to receiving fees in their capacity as an investment adviser or solicitor, NewEdge and its PWAs receive reimbursements or marketing allowances for marketing expenses and business

development costs incurred by the PWA. In addition, PWAs receive invitations to conferences and meetings that are sponsored by firms that offer third-party programs to the advisor. Portfolio strategists, investment managers, and product manufacturers contribute to the cost of the conferences and meetings, are identified as a sponsor of the conference or meeting, and can promote their products, programs, and services directly to NewEdge and its PWAs. Additionally, the advisor's travel-related costs and expenses, meals, and entertainment can be paid or subsidized by the firms. These payments to NewEdge and its PWAs present a conflict of interest because they provide a financial incentive for advisors to recommend clients to the products of the payers.

## **Recruiting & Transition Expenses**

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As a part of our business, the firm hires outside parties (recruiters) to help find investment advisers interested in joining NewEdge or using our platform services. The recruiters are typically paid a fee based on a percentage of the total revenue of the investment adviser or business referred to NewEdge. At times, others will contribute to the recruiting expense NewEdge might incur, including custodians of client assets such as Fidelity. When a third-party custodian contributes to the recruiting expense, it presents a conflict of interest, as NewEdge has an incentive to refer the client to the third-party custodian, sharing the cost of the recruitment expense with another custodian.

## **Item 15: Custody**

NewEdge does not custody client funds and/or securities. Client assets will generally be maintained with Fidelity and/or other Custodians selected by you that serve as qualified custodians of the funds and/or securities. However, the Firm is deemed to have custody of a client's assets to the extent the client authorizes the Firm to instruct the client's Custodian to deduct the Firm's advisory fees directly from the client's account or to instruct the client's Custodian to disburse or transfer funds or securities from the client's account or receives a check from a client and arranges for it to be deposited into the client's account at Fidelity.

When Fidelity acts in its capacity as a fully disclosed clearing firm and performs centralized cashiering, bookkeeping, administrative support functions in connection with execution, clearing and/or settlement functions. Fidelity will handle the delivery and receipt of securities purchased or sold in the client's brokerage accounts, receive and distribute dividends and other distributions, and process exchange offers, rights offerings, warrants, tender offers and redemptions. Fidelity will send out client statements of all activity in a client's brokerage account on no less than a quarterly basis, written confirmations of trades executed through clients' brokerage accounts, and associated tax documents related to each account. Clients should review all statements and related documents carefully. To the extent that NewEdge provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by NewEdge with the account statements received from the account custodian. The account custodian does not verify the accuracy of NewEdge's advisory fee calculation.

In addition, NewEdge and/or certain of its members engage in other services and/or practices (i.e., bill paying, password possession, trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in NewEdge having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires NewEdge to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as NewEdge provides such services and/or engages in such practices.

### **Item 16: Investment Discretion**

NewEdge is often granted the authority to exercise discretion on behalf of clients. NewEdge is considered to exercise investment discretion over a client's account if it can affect and/or direct transactions in client accounts without first seeking their consent. NewEdge is given this authority through a power-of-attorney included in the Advisory Agreement between NewEdge and the client. Clients can request reasonable limitations on this authority (such as certain securities not to be bought or sold). NewEdge takes discretion over the following activities:

- the individual securities to be purchased or sold;
- the amount of securities to be purchased or sold;
- when transactions are made; and
- the hiring and firing of Independent Managers.

### **Item 17: Voting Client Securities**

NewEdge will accept the authority to vote on a client's securities (i.e., proxies) on their behalf in discretionary advisory accounts. This authority is generally granted through the client's execution of our Advisory Agreement. If a client elects to vote proxies themselves, they shall receive proxies directly from their custodians and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations. Clients may also be able to delegate proxy voting authority to Independent Managers.

### **Third Party Service**

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When NewEdge is responsible for voting client proxies, it shall do so in conjunction with the proxy voting administrative and due diligence services provided by Glass Lewis ("GL") an unaffiliated nationally recognized proxy voting vendor. NewEdge, in conjunction with the services provided by GL, monitors corporate actions of individual issuers and investment companies consistent with NewEdge's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, NewEdge may be solicited to vote on matters including corporate governance, adoption, or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), NewEdge may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. NewEdge (in conjunction with the services provided by GL) shall maintain records

pertaining to proxy voting as required under the Advisers Act. Information pertaining to how NewEdge voted on any specific proxy issue is also available upon written request.

Any questions regarding NewEdge's proxy voting policy or requests for a description of the Firm's proxy voting policy should be directed to NewEdge's Chief Compliance Officer.

### **Class Actions**

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NewEdge will not render any advice to or take any actions on behalf of clients with respect to the initiation or pursuit of any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments transacted or held in client accounts, or the issuers thereof, become subject. The right to take any actions with respect to any legal proceedings, including bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is the client's responsibility. The client shall maintain exclusive responsibility for all legal proceedings or other types of events pertaining to the assets managed by NewEdge, including, but not limited to, class action lawsuits.

NewEdge has identified an unaffiliated service provider to assist the client, for a fee (generally based on an agreed percentage % of the recovery, subject to a minimum fee), with class-action matters. NewEdge shall not receive any compensation from the service provider. The client is under no obligation to engage the service provider. NewEdge does not participate in class action proceedings on behalf of its clients. Thus, if the client chooses not to engage such service provider, the client will be exclusively responsible to monitor and pursue all class action claims.

### **Item 18: Financial Information**

NewEdge is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.