

Sanctuary Securities, Inc.**Brokerage Services Disclosure Summary**

This Brokerage Services Disclosure Summary (Disclosure Summary) provides information about the business practices, compensation, and conflicts of interest related to the brokerage business of Sanctuary Securities, Inc. (referred to as “we,” “us,” or “Sanctuary”). Additional information about Sanctuary and our financial professionals is available on FINRA’s website at brokercheck.finra.org.

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Item 1: Introduction

Sanctuary is a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). Sanctuary’s affiliate, Sanctuary Advisors, LLC, is registered as an investment adviser with the SEC. In addition, financial professionals of Sanctuary may also be qualified to sell life insurance products through agencies outside of Sanctuary. As a broker-dealer, Sanctuary transacts business in various types of investment products, including mutual funds, exchange-traded funds (ETFs), stocks, bonds, options, variable annuities, and alternative investments.

Sanctuary maintains a network of individuals, referred to as “financial professionals,” who offer brokerage services, investment advisory services, or both, depending on their licenses. Sanctuary’s financial professionals may be engaged as employees or independent contractors.

Although most of our financial professionals offer both brokerage services and investment advisory services, a few offer exclusively brokerage or exclusively advisory services. When you are discussing services with one of our financial professionals, you should ask in what capacity the financial professional is acting – as a broker-dealer representative and/or investment adviser representative – when providing services to you. This Disclosure Summary discusses important information about Sanctuary and the services that our financial professionals who act as broker-dealer registered representatives of Sanctuary can provide you. For more information about Sanctuary Advisors LLC and the services that our financial professionals provide when they act as an investment adviser representative, please see Sanctuary’s [Form ADV](#) disclosure brochure available on adviserinfo.sec.gov. For additional information on which type of investment account is right for

you, please see Sanctuary's [Form CRS](#) (Customer Relationship Summary) also available on www.sanctuarywealth.com

Like all financial services providers, Sanctuary and our financial professionals have conflicts of interest. We and our financial professionals are compensated directly by customers and indirectly from the investments made by customers. When you purchase an investment, we typically get paid an up-front commission or sales load at the time of the transaction and in some cases a deferred sales charge. If we are paid commissions, it means that we are compensated more with a higher frequency of trading and/or with larger transactions. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a "trail payment," for as long as you hold the investment. In addition, we receive compensation from the sponsors of some of the investment products that we offer. The amount we receive varies depending on the particular type of investment product purchased. The compensation described in this Disclosure Summary represents the typical profit before our expenses are deducted.

Not all the conflicts described in this Disclosure Summary apply to a particular financial professional, his or her services, or all the products we offer. The types and amounts of costs and fees charged and the compensation we receive changes over time. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest.

Item 2: Commissions, Fees, and Other Types of Compensation

Commissions and Sales Charges

Sanctuary receives upfront commissions when we execute transactions that result in the purchase or sale of a security. A commission, which may also be called a sales load, sales charge, or placement fee, is typically paid at the time of the sale and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. When Sanctuary receives a sales charge or commission, it shares a portion of it with your financial professional. In some cases, a portion of the sales charge or commission is retained by an investment's sponsor. Commissions vary from product to product, which creates an incentive to sell a higher commission product rather than a lower commission product. The typical commissions for common investment products are listed below. For more information about other commissions that apply to a particular transaction, please refer to the applicable prospectus or other offering document for the specific product.

- **Equities and Other Exchange Traded Securities** – The commission charged by Sanctuary in an agency capacity on an exchange traded security transaction, such as an equity, option, ETF, exchange traded note (ETN), or closed-end fund (CEF) is typically less than 5% of the transaction amount depending on the price and size of the transaction.
- **Mutual Funds and 529 Plans** – the maximum commission or sales charge permitted under applicable rules is 8.5%, although the sales charge typically does not exceed 5.75%.

- Annuities – The maximum upfront commission paid for new sales of annuities is typically 5.5% but varies depending on the contract length purchased, and type of annuity.
- Fixed Income – Charges on fixed income products do not typically exceed 2.75% of the value of the investment, although certain structured products may entail charges of up to 4.00%.
- Alternative Investments – For alternative investment products, such as Unit Investment Trusts (UITs), the upfront sales load may be up to 8% of the investment amount. Trail fees may be up to 3.5%. The typical upfront sales charge ranges up to 3.95% but this charge is determined by the investment sponsor.
- Investment Banking – Sanctuary acts in the capacity of an investment bank for certain issuers of securities. As an investment bank, the firm may, among other things, assist these issuers in raising capital by underwriting or acting as agent with respect to offerings of securities. The compensation to the firm is set out in the private placement memoranda or other offering documents. Additionally, financial professionals may, in some instances, be entitled to a sales concession (i.e., a commission) for sales of such products that is greater than the sales concession on products where Sanctuary did not act as an investment bank.

Markups and Markdowns – Principal or Dealer Transactions

When Sanctuary sells to or buys from you a bond or other fixed income security such as a structured product in a principal capacity, Sanctuary sells the security directly to you or buys it directly from you, rather than acting as your agent to buy or sell the security from a third party. These transactions are known as “dealer transactions.” In these circumstances, if we sell a bond at a price higher than what we paid for it, we will earn a markup. Conversely, if we buy a bond from you at a price lower than what we sell it for, we will earn a markdown. The maximum markup/markdown on a transaction with a customer that we receive when acting in a principal capacity does not exceed 5% of the value of the security. In many instances, the actual markup/markdown percentage is lower based on factors such as quantity, price, type of security, rating, and maturity. While we act in a principal capacity when buying and selling bonds and fixed income securities, we do not carry an inventory of bonds or fixed income securities and arrange the purchase and sale of bonds and fixed income securities through our clearing firm, Pershing LLC (Pershing), or another dealer, who also charges a markup or markdown.

Direct Fees and Charges

Sanctuary is an introducing broker and carries all brokerage accounts and clears all securities transactions on a fully disclosed basis through Pershing LLC. (Pershing), our clearing and custodial firm.

If you hold an account with Pershing, Pershing charges miscellaneous fees directly to your account such as fees for transaction processing, account transfers, and retirement account maintenance which are standard and customary. We mark up and receive a portion of many of the fees charged by Pershing. For direct fees that apply per transaction, Sanctuary and the clearing firm receive more fees if there are more transactions that result from a financial professional's

recommendations. These fees and charges are set out in the fee schedules of Pershing.

Item 3: Third-Party Compensation

Trail Compensation

Sanctuary and our financial professionals receive ongoing compensation from certain investment products such as mutual funds, annuities, and alternative investments. This compensation (commonly known as trails or Rule 12b-1 fees) is typically paid from the assets of the investment product under a distribution or servicing arrangement with the investment sponsor and is calculated as an annual percentage of assets invested by our customers. The more assets you invest in a product, the more we are paid in these fees. Therefore, we have an incentive to encourage you to purchase or increase the amount of your purchase of a product offered by a sponsor who shares a portion of their compensation with us. The amount of trails received varies by product. This creates an incentive to recommend products that pay higher trails. We are also incented to recommend products that pay trails (regardless of amount) over products that do not pay trails. For information on individual product trail compensation, please refer to the prospectus or offering document for the investment.

- Mutual Funds and 529 Plans – The ongoing payment depends on the class of shares but is typically between up to 1% of assets annually.
- Annuities – We receive a trail payment from an insurance company for the promotion, sale, and servicing of a policy. The amount and timing of trail payments vary depending on the agreement between Sanctuary and the issuer and the type of policy purchased. The maximum trail payment for annuities is typically up to 1.5% or higher and varies depending on the type of annuity.
- Alternative Investments – For alternative investment products, trail payments may be up to 1.50% or higher on an annual basis which terminate after a specified time period.

Concessions and Mutual Fund Finder's Fee

In certain cases, Sanctuary and our financial professionals receive compensation from a mutual fund sponsor in connection with transactions for which sales charges are waived or under other circumstances and as described in a fund prospectus. This compensation is generally referred to as a finder's fee or concession. We also receive concessions from investment sponsors for other types of investments. These concessions vary from product to product and are generally shared between Sanctuary and our financial professionals.

Life Insurance

When we receive compensation from issuers of life insurance (universal, variable universal, whole life, and term) and other insurance contracts available to our customers, compensation includes commissions and trails, and from some issuers, includes payments for administrative services that we provide. We may also receive trail payments on subsequent premiums, if any. The amount of commission varies depending on the issuer, coverage, and the premium amount. Our financial professionals receive a percentage of the commissions and trailing commissions an insurance

company pays to Sanctuary.

Third-Party Compensation Retained by Sanctuary

When Pershing is the custodian of your account, depending on the instructions you and your broker have provided, they will sweep the cash in your account into FDIC insured bank deposit depending on your account type. You and your financial professional select the money market or bank deposit account. Pershing retains some of the interest paid on the bank deposit account, or shareholder servicing fees paid on the money market fund and pays a portion of that to Sanctuary. These payments to Sanctuary are called “distribution assistance” and they vary based on the bank deposit accounts or shareholder servicing fees paid on money market funds, or the amount or percentage of distribution payments that it will receive. When interest rates are low, or in the event of a regulatory change, these distribution assistance payments may be reduced or discontinued.

Collateralized Lending Arrangements

We offer Pershing’s Fully Paid Securities Lending program, which enables qualified customers to lend fully paid for securities to Pershing. Pershing earns revenue from lending these securities and a portion of that revenue is shared with the customer. We have an incentive to encourage customers to hold securities rather than liquidate them in order to continue to receive compensation. Not all accounts or clients qualify for a securities-backed lending program.

Item 4: Product Costs and Related Conflicts

Our financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, annuities, and alternative investments. Each type of investment product carries unique risks, and many investment products charge fees and costs that are separate from and in addition to the commissions and fees that Sanctuary and our financial professionals receive. You can learn more about these risks and the fees and costs charged by an investment product by reviewing the investment product’s prospectus, offering memorandum, and other disclosure documents. Below is a summary of the typical range of expenses of the various investment products we sell. In most instances, these expenses are in addition to the commissions and fees that Sanctuary receives for our brokerage services.

- ETFs -- Expense ratios up to 2% from 0.05%-1.0% with an average expense ratio of around 0.44%.
- Mutual Funds -- Expense ratios can vary based on the type and share class of mutual fund purchased. The average expense ratio for actively managed funds is up to 1.50%.

- Annuities -- The typical range of annual expenses associated with annuities is up to 5.00% depending on the combination of options selected by the investor including the type of annuity (variable annuities have a mortality and expense fee whereas fixed index annuities do not), optional riders elected (living and/or death benefits), and investment options where applicable (subaccounts or models for variable annuities).
- Alternative Investments – The typical annual expenses, excluding any commissions or dealer manager fees is up to 8.00%, which may include management fees, acquisition fees, disposition fees, performance participation fees, organization and offering fees, acquired fund fees and expenses, or interest payments on borrowed funds.
- UITs -- Typical annual operating expenses for UITs range up to 1%,

As previously noted, costs, fees, expenses, and other charges can change over time. The cost ranges provided above and herein are typical ones for the particular product; you may incur lesser or higher costs depending on the circumstances applicable to your transaction. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest that may be associated with a transaction.

Share Class and Fund Selection

We offer various share classes of mutual funds and 529 plans. As an example, certain mutual fund share classes, often referred to as Class A shares, charge an upfront sales charge and an ongoing trail. For other mutual funds share classes, often titled Class C shares, there is no upfront sales charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge (CDSC) to the customer if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for a mutual fund or 529 plan, and other factors, one share class may be less expensive to you than another, and Sanctuary and your financial professional may earn more or less compensation for one share class than another. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. We maintain policies and procedures that are designed to detect and prevent excessive mutual fund switching, but you should monitor your account and discuss any frequent mutual fund purchases and sales with your financial professional.

Mutual funds are offered for sale through a prospectus. Before investing in a mutual fund, you should read the fund's prospectus carefully. The prospectus contains important information on fees, charges, and investment objectives that should be considered carefully before investing.

You should discuss with your financial professional certain other factors when deciding on a mutual fund and which share class makes the most economic sense and impact on your costs, such as: investment timeline, size of the investment, any future plans to increase the investment size, share class expenses, any eligibility for sales-charge discounts and whether you qualify for

any front-end sales charge waivers with respect to Class A shares. Generally, Class A shares (the front-end sales charge alternative) should usually be considered if you expect to hold the investment on a long-term basis, for at least five years or more. Class C shares (the level sales charge alternative) are usually appropriate for shorter-term holding periods.

You can obtain additional educational information regarding mutual funds from the following sources/websites:

- U.S. Securities and Exchange Commission: www.SEC.gov
- Financial Industry Regulatory Authority: www.FINRA.org
- Securities Industry and Financial Markets Association: www.sifma.org
- Investment Company Institute: <https://www.ici.org/>

Product-Related Compensation Conflicts

Our financial professionals offer a wide array of investment types to meet your needs. Within each investment type, there are many specific products that a financial professional can recommend. For instance, there are many mutual fund options, some of which have similar investing strategies, performance, and portfolios. The compensation we receive differs from product to product, and we can receive different compensation from different product sponsors in the same type of product. This creates a conflict of interest for us because we have an incentive to sell you a higher commission or fee product rather than a lower commission product. Information regarding the specific fees you pay for a transaction is found on the trade confirmation. Additional information about the fees a product sponsor pays us and your financial professional is found in the prospectus or offering materials that are provided to you.

We will make recommendations to you based on (a) the information you provide and (b) our assessment of a product or service's potential risks, rewards, and costs. If you would like to know why a recommendation was made, please ask your financial professional. When your financial professional recommends a particular product to you, he or she is recommending that specific product because he or she has determined that the recommendation is in your best interest at the time of the recommendation, based on information you have provided and the financial professional's assessment of the product or service's potential risks, rewards, and costs. It is your responsibility to update and keep the information you provide to us and your financial professional current and accurate. Additionally, if you choose not to follow a recommendation made by us or your financial professional, you are fully responsible for the potential risks and losses that can result from your decision, including any result that is not in accordance with the best interest standard.

Item 5: Customer Referrals, Other Compensation and Conflicts

Margin

We offer customers the ability to purchase securities on credit, also known as margin purchases, through Pershing brokerage accounts. When a customer purchases a security on margin, the clearing firm extends a line of credit to the customer and charges interest on the margin balance.

We have a financial incentive to encourage margin borrowing because we earn compensation in the form of interest, transaction charges, and other fees on investments made with borrowed amounts. That financial incentive creates a conflict of interest insofar as we benefit from your decision to borrow and incur the various fees and interest described above. If you are contemplating the use of margin, please consult the clearing firm margin agreement and related disclosures for additional details. None of the fees derived from margin accounts are shared with your financial professional.

Error Corrections

If a customer holds an account through Sanctuary at Pershing and a trade error is caused by Sanctuary (and not the customer) in the account, we will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade error is caused by a customer (e.g., if a customer does not make full payment for a trade or fails to deliver negotiable securities for liquidations before trade settlement), any resulting monetary loss is borne by the customer. Trade errors are processed through the Firm's error account held at Pershing; in the case of a trade error that results in a monetary gain to a customer, the gain will be removed from the account and held in the error account which may result in a financial benefit to Sanctuary.

Rollovers

If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that the customer invest those assets through Sanctuary, as we will be paid commissions, fees, and/or third-party payments on those assets. You should be aware that such fees and commissions will likely be higher than those the customer pays through their plan. Sanctuary's fees do not include custodial and other maintenance fees that may be charged. Generally, securities held in a retirement plan must be liquidated before the cash can be transferred to an IRA. Commissions and sales charges may be charged when liquidating such securities prior to the transfer.

The following fiduciary acknowledgement applies only when our financial professional (i) provides investment advice to participants in, or the fiduciaries of, ERISA-covered retirement plans and to owners of IRAs, and (ii) recommends to participants in ERISA-covered retirement plans or owners of IRAs to make a rollover to an IRA.

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

Limitations on Investment Recommendations

Sanctuary and our financial professionals offer and recommend investment products only from investment sponsors with which we have entered into selling and distribution agreements. Other firms may offer products and services not available through Sanctuary or similar products and

services at a lower cost. Further, an individual financial professional's ability to offer individual products and services is dependent on his or her licensing and training. For example, a financial professional licensed to provide brokerage services may not be registered as an investment advisor, and therefore unable to offer advisory products.

Sanctuary does not have a single enterprise-wide investment approach or strategy. Your financial professional's investment approach may differ from another Sanctuary financial professional's approach. You should discuss your desired investment approach with your financial professional.

You should ask your financial professional about the securities or services that he or she is licensed or qualified to sell, and his or her ability to service investments that you transfer to Sanctuary from another firm. You may also review the specific licenses held by your financial professional by visiting FINRA's BrokerCheck at <http://brokercheck.finra.org>.

Strategic Alliance Program

Sanctuary Wealth Group, LLC (Sanctuary Wealth), the parent company of Sanctuary, receives compensation from certain product sponsors and unaffiliated investment advisors that sponsor, manage and/or promote the sale of certain products that are available to our clients. Product sponsors and third-party money managers ("Strategic Partners") pay this compensation to Sanctuary Wealth in what we call our Strategic Alliance Program (the "Program"). Strategic Partners are provided with more opportunities than other non-Strategic Partner companies to market and educate our professionals on investments and the products they offer. You do not pay more to purchase Strategic Partner products than you would to purchase them elsewhere. We use the revenue from the Program to support certain marketing, training, and educational initiatives, including our conferences and events.

These arrangements create a conflict of interest because Sanctuary Wealth receives an economic benefit when you purchase products from its Strategic Partners. Sanctuary Wealth mitigates this conflict by not sharing any revenue from the Program with its financial professionals.

Item 6: Financial Professional Compensation, Fees, and Related Conflicts

Cash Compensation

We typically pay our financial professionals a percentage of the revenue they generate from sales of products and services. The percentage they receive can vary depending on a financial professional's agreement with Sanctuary and the investment product or service provided and can be more or less than the compensation paid at another brokerage firm.

Non-Cash Compensation

In addition to reimbursement of training and educational meeting costs, our financial professionals may receive promotional items of nominal value, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, third party money managers and other investment products, as permitted by regulatory rules.

A Financial Professional's Outside Business Activities

Our financial professionals may engage in certain approved outside business activities other than providing brokerage and advisory services through Sanctuary. As an example, some of our financial professionals sell insurance through agencies that are not affiliated with Sanctuary. In those circumstances, the financial professional is subject to the policies and procedures of the third-party insurance agency related to the sale of insurance products. A financial professional may receive compensation, benefits, and non-cash compensation through the third-party agency that creates an incentive to recommend that you purchase insurance products away from Sanctuary.

If you contract with a financial professional for services away from Sanctuary, you should discuss any questions you may have about the compensation he or she receives for such services. You may review additional information about your financial professionals outside business activities at <http://brokercheck.finra.org>.

Compensation for Other Services

Sanctuary and our financial professionals can offer various types of advisory and brokerage programs, platforms, and services, and earn differing types and amounts of compensation depending on the type of service, program, or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for Sanctuary and the financial professional than others. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

Item 7: Product Specific Information

There are various types of investments. General information regarding the different types of investments is described below.

- **Stock:** A stock, also known as “shares” or “equity,” gives the stock owner a proportionate ownership position in the company that issues the stock. It entitles the stockholder (you) to that proportion of the company’s assets and earnings.
- **Bonds:** This is a fixed-income investment where you (the investor) purchase a debt instrument and become the lender to a borrower (typically a company, government/municipality, or governmental agency) after which you receive payments (principal and interest) over a specific period from the borrower. Bonds typically are not secured by collateral.
- **Structured Notes:** A structured note is a debt obligation that also contains an embedded derivative component that adjusts the security's risk-return profile and increases its return potential. The return performance of a structured note tracks both the underlying debt obligation and the derivative component embedded within it. The return on a structured note is linked to the performance of an underlying asset including indices, single stocks, a portfolio of stocks,

industry sectors, commodities, and currencies. Structured notes are complex financial products that are subject to market risk, low liquidity, and default risk.

- o *Principal Protected Note (PPN)*: A structured note that guarantees a minimum return equal to the investor's initial investment (the principal amount), regardless of the performance of a derivative component.
 - o *Non-Principal Protected Note (NPPN)*: A structured note that does not guarantee a minimum return of the investor's initial investment (the principal amount).
- **Certificate of Deposit (CD) (Including Structured CDs)**: This is a fixed-income investment where you (the investor) deposit a sum of money for a specified period and you will receive either a specific rate of interest or a rate of interest linked to an index with a capped gain. Certain CDs can be FDIC insured.
- **Unit Investment Trust (UIT)**: This is a type of registered investment company that buys or holds a relatively fixed portfolio of securities, such as stocks or bonds, and makes them available to investors as redeemable units. UITs have a stated termination date; when the portfolio terminates, investors get their share of the UIT's net assets.
- **Exchange Traded Fund (ETF)**: An ETF is a type of registered closed-end registered investment company that holds a basket of securities and often seeks to track an underlying index. ETFs trade on a securities exchange (such as the New York Stock Exchange or Nasdaq), like a stock. ETF share prices fluctuate throughout the trading day; this is different from mutual funds that only trade once a day after the market closes.
- **Exchange Traded Note (ETN)**: An ETN is a debt instrument that mimics the performance of a basket of securities but does not actually hold them for the benefit of the investor. An ETN is a debt obligation of the issuing company, often an investment bank, and does not pay interest. ETNs trade on a securities exchange (such as the New York Stock Exchange or Nasdaq), like a stock. ETN share prices fluctuate throughout the trading day.
- **Mutual Fund**: Mutual funds are open-end registered investment companies that hold a portfolio of stocks, bonds, or other securities. Mutual funds give individual investors access to diversified, professionally managed portfolios. Mutual funds are divided into several categories, representing the types of securities they invest in, their investment objectives, and the type of returns they seek. Mutual funds charge annual fees (called expense ratios) and, in many cases, commissions, which can affect their overall returns. Most mutual funds offer different types of shares, known as "classes." Each class invests in the same portfolio of securities and has the same investment objectives and policies, but each class has different shareholder services and/or distribution arrangements with different fees and expenses. With a mutual fund, if you want to buy shares, the management company sells them to you. They accept your money, add it to the portfolio, and create more shares. You always buy or sell shares of a mutual fund with the issuing fund company, not on the securities exchange.

o Mutual Fund Share Classes: Many mutual funds offer more than one class of shares, commonly including Class A or C shares, in order to accommodate different investment needs and time horizon. Each share class represents an interest in the same mutual fund's investment portfolio but with different fees and expenses.

Class A Shares: Class A shares typically assess a front-end sales charge at the time of purchase. However, they have lower annual operating expenses than C shares and generally offer a reduced sales charge based on defined thresholds of dollars invested in the same family of funds. These reduced sales charges may be achieved through the following:

- Breakpoint – Purchases that exceed certain thresholds that qualify you for a reduced front-end sales charge. Breakpoints typically begin at \$25,000 and offer increasing discounts as holdings reach higher thresholds.
- Rights of Accumulation (ROA) – Aggregation of holdings from prior purchases within the same fund family can be added to the value of a new purchase for breakpoint purposes. This aggregation may allow for all accounts of your household to qualify for reduced sales charge based on total investments within the fund family and across registrations of the household.
- Letter of Intent (LOI) – This pledge to a fund family allows the investor to receive a reduced sales charge on all purchases if the investor commits to purchasing a breakpoint eligible amount within 13 months

Class B Shares: Class B shares are not subject to an initial sales charge or front-end load. However, distributions of Class B shares are subject to contingent deferred sales charge (CDSC), which is a percentage charge deducted from proceeds when shares are sold if they are sold within a certain number of years.

Class C Shares: Class C shares typically do not assess a front-end sales charge. C shares do, however, assess a contingent deferred sales charge (CDSC) if the shares are sold within 12 months from the purchase date. C shares typically carry higher expenses than A shares of the same fund. The expense ratio varies from fund family to fund family but is typically about 1% greater for C shares than A shares. C shares typically automatically convert to A shares between 6 and 8 years from purchase depending on the fund family.

Other Share Classes: Some fund families offer other shares classes. Please consult the prospectus for the fund family you are considering for details about other shares classes, if applicable.

Share Class Selection: There are a number of factors that can impact your decision on share class selection. Some of those factors include the following:

- While it is common for an investor to diversify their mutual fund holdings among several mutual fund families, you should carefully evaluate the benefits and the costs of doing so. For example, investing in mutual funds offered by multiple fund families may preclude you from being able to take advantage of breakpoints that would otherwise be available had you invested through one fund family. Prior to making any mutual fund investment, you should always carefully review the sales charges associated with that transaction and evaluate how those charges will be affected by mutual fund investments you have previously made or that you intend to make in the future.
 - Long-term investors who intend to hold mutual funds within that same fund family for a number of years generally will find A shares to be a good option particularly for larger breakpoint eligible investment amounts within a fund family.
 - An investor that has a short-term time horizon and is looking for asset allocation flexibility across fund families will generally find C shares to be a good option. That flexibility generally comes with greater expenses if the funds are held long-term which may negatively impact performance.
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- Annuity: This is a long-term investment that is issued by an insurance company designed to help protect the annuitant from the risk of outliving the income generated by their deposits into the contract. Because these are long-term vehicles, annuity contracts include contingent deferred sales charges (“CDSCs”) that result in a forfeiture of a percentage of account value if surrendered prior to their expiration, typically three (3) to ten (10) years depending on the contract. Annuities have two phases. Phase one of the annuity contract is known as the accumulation phase, where deposits are designed to accumulate on a tax-deferred basis. During the accumulation phase contract holders can choose annuities with any one or, in some cases, a combination of the following accumulation account options:
 - o Variable Annuity: This is a tax-deferred annuity contract that allows you to choose from a selection of investments called subaccounts. These investments are designed to provide contract holders with a diversified investment portfolio in a specified asset class or general investment strategy. Subaccounts are managed by an investment specialist or a team of specialists who make decisions to manage the subaccount based on the stated objective. Each subaccount has a unique expense ratio based on the services provided by the investment specialist team. For example, a subaccount designed to follow the return of a stock index, such as the S&P 500 will have a lower expense ratio than a subaccount seeking to actively manage a portfolio based on a stated objective. You determine how much is allocated to each subaccount.
 - o Investment-only Variable Annuity (IOVA): This is a type of annuity contract that provides you with a simple way to set aside taxable assets in a tax-deferred entity focused on investments only. Unlike most variable annuities which offer living income stream and death benefits (for a cost), IOVAs only offer investments and the ability to access the assets without penalty as early as 59½.

Registered Index-Linked Annuity (RILA): A RILA is a type of annuity contract that lets you participate in the performance of a market index (such as the S&P 500) over a set period, while providing a level of downside protection. Your account value may increase if the index performs well, but it can also decrease if the index declines, subject to the protection features and limits chosen. RILAs are not risk-free, may limit gains through caps or participation rates, and losses can occur.

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o Fixed Annuity (FA): This is a type of annuity contract that pays a specific interest rate declared by the issuing insurance company for a specified period. There are no front-end sales charges assessed to policy owners, but withdrawals and surrenders may be subject to surrender charges or market value adjustments (MVA), credits, or debits, for amounts withdrawn that exceed free surrender provisions. The issuing insurance company guarantees both the rate of return and payout to the policy owner.

o Fixed Indexed Annuity (FIA): This is a type of annuity contract (also referred to as an Equity Indexed Annuity) that pays an interest rate that is based on the performance of an underlying index. Funds in a FIA are not directly invested in an underlying index and are held in the general account of the issuing insurance company. Many FIAs are based on well-known indices such as the S&P 500 Composite Stock Price Index, but some offer indices that represent other segments of the markets or a combination of indices. Many crediting methods may be used to calculate the gain in a FIA contract including caps, spreads, participation rates, or a combination of methods. Based on the contract features and crediting methods the interest credited may be greater or lower than the underlying index performance. There are no front-end sales charges assessed to policy owners, but withdrawals and surrenders may be subject to surrender charges or market value adjustments (MVA), credits, or debits, for amounts withdrawn that exceed free surrender provisions. FIA contracts have fees for optional or required additional benefits or riders such as guaranteed income, death benefit, or enhanced participation rates.

o Single Premium Immediate Annuity (SPIA) and Deferred Income Annuity (DIA) : These are types of annuities designed to provide guaranteed income payments in a set amount at a specified income start date. Income may be payable for the life of the annuitant or for a specified period. There are no front-end sales charges assessed to policy owners however contracts may be illiquid or there may be substantial penalties to withdrawal funds or surrender contracts.

Phase two of the annuity contract is known as the annuitization phase. This option converts your purchase payments (what you contribute) and accumulated growth (if any) into periodic payments that can be paid out under various payment options, including a lifetime option.

Annuities can provide investors with benefits in addition to tax deferred growth in the form of living benefits or enhanced death benefit riders at an additional cost including but not limited to the following.

- *Guaranteed Minimum Withdrawal Benefit (GMWB)*: Guarantees you a stream of lifetime income based on a percentage of the contract's benefit base. Lifetime GMWB payments are available without having to immediately annuitize the contract.
- *Guaranteed Minimum Accumulation Benefit (GMAB)*: Guarantees a certain portion of the investment is returned to the contract owner regardless of the performance of the subaccounts.
- *Guaranteed Minimum Death Benefit (GMDB)*: Guarantees an enhanced benefit to the contract owner's beneficiaries regardless of the account value on the date of death. These benefits can be based on a return of the initial investment, the highest contract value on the contract's anniversary over a specified period of time, or a specified percentage increase over a period of time.
- **Life Insurance**: A life insurance policy is a contract that in exchange for premium payments is designed to pay a sum of money at the death of an insured person, either individually or as a member of a group of insured persons. Death benefit payments under a life insurance policy are typically income tax free to the beneficiaries and are designed to replace income lost due to the death of the insured or for multiple estate planning scenarios. Life insurance is categorized as term (viable for a specific period of time) or permanent (designed to remain in effect for the insured's life). Permanent life insurance allows the contract owner to accumulate cash value, and use the accumulated cash value for other purposes, including investing within the life insurance contract, or withdrawing or borrowing it to meet other financial needs.
 - **Variable Universal Life**: This type of life insurance allows you to choose from a selection of investments called subaccounts. These investments are designed to provide contract holders with a diversified investment portfolio in a specified asset class or general investment strategy. Subaccounts are managed by an investment specialist or a team of specialists who make decisions to manage the subaccount based on the stated objective. Each subaccount has a unique expense ratio based on the services provided by the investment specialist team. For example, a subaccount designed to follow a stock index such as the S&P 500 will have a lower expense ratio than a subaccount seeking to actively manage a portfolio based on a stated objective.
- **529 Education Savings Plan**: A 529 plan is an education savings plan sponsored by a state, state agency, and certain educational institutions that permits parents and relatives to set aside funds for their children's education on a tax advantaged basis. The investments in 529 plans can

include various mutual funds and ETFs and are offered as a single investment as well as in risk-based or age-based portfolios.

○ *State-Specific Considerations*

- Depending upon the laws of your home state and/or the home state of the designated beneficiary, favorable state tax treatment or other benefits offered by your home state for investment in a 529 Plan may be available only if you invest in your home state's 529 plan.
 - If you contribute to a 529 Plan offered by a state in which you are not a resident, you should consider whether your, or your designated beneficiary's home state offers any state tax or other benefits, which may include financial aid, scholarship funds, and protection from creditors, only available for investments in such state's qualified tuition program.
 - For additional details on the risks, federal and state tax treatment, share classes, costs, and fees of 529 plan investments, refer to the 529 Plan Brochure and the 529 Plan Official Statement/Plan Description, which is located on a 529 plan sponsor's website, or obtain one from your financial professional.
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- **1031 Exchange:** An alternative investment, this real estate exchange gets its name from Section 1031 of the Internal Revenue Code, which allows a seller of an investment real estate property to defer paying capital gains taxes when the property is sold and reinvest the proceeds from the sale within certain time limits in a property or properties of a like kind and of equal or greater value.
 - **721 Exchange:** An alternative investment whereby real estate is exchanged for units in an operating partnership sponsored by a REIT, which are convertible into REIT shares. The product gets its name from Section 721(a) of the Internal Revenue Code which allows the seller of an investment real estate property to defer paying capital gains taxes when the investment property is sold if the property is directly exchanged for units in an operating partnership.
 - **Closed-end Fund:** This is a type of investment vehicle where, at fund inception, the registered closed-end investment company raises a set amount of money and issues a specific number of shares. No new shares are created after that point. Shares of closed-end funds are listed and trade on a stock exchange such as the New York Stock Exchange or Nasdaq. A fund's share price reflects market value, which can be at a discount or premium to the net asset value of the fund itself.

- **Hedge Fund:** This is a broad alternative investment category of private or unregistered pooled investment vehicles with a variety of strategies. Strategies may include investing in non-traditional asset classes, using leverage, or taking short positions. Hedge funds may have a limited or perpetual life. Hedge funds are not subject to the same regulation registered investment companies (such as mutual funds and closed-end funds) and access is often limited to institutions or wealthy individuals.
- **Interval Fund:** This is a type of registered closed-end investment company that can invest in non-listed/non-traded and other illiquid investments. The shares of Interval Funds are not listed and do not trade on a securities exchange but are subject to periodic repurchase offers by the fund at a price based on net asset value.
- **Non-Traded REIT:** This is an alternative investment in the form of a real estate investment trust that pays dividends and/or provides returns on real estate appreciation. REITs are not taxed at the corporate level to the extent they distribute their taxable income in the form of dividends. A non-traded REIT does not trade on a securities exchange and is therefore illiquid. While many non-traded REIT have a set termination date by which they must have a liquidity event, there is no assurance that a liquidity event will occur or that it will be at a profit.
- **Non-Traded BDC (Business Development Companies):** This is an alternative investment similar to a registered closed-end investment company where a pooled investment vehicle originates or invests in equity or debt of private companies. BDCs are not taxed at the corporate level to the extent they distribute their taxable income in the form of dividends. A non-traded BDC does not trade on a securities exchange and is therefore illiquid.
- **Oil and Gas Programs:** This is an alternative investment through a private pooled investment vehicle to explore and produce oil and natural gas. Investors may be eligible for tax benefits related to oil and gas investments. Oil and gas investments have varying levels of risk and significant risk based on fluctuations in the underlying price of the commodity.
- **Non-Traded Preferred Stock:** Preferred stock is an equity security that has characteristics of both common stock and bonds. Preferred stock usually offers a higher dividend rate than bonds with a lower investment per share. Preferred stockholders also have a priority claim over common stockholders for dividend payments and liquidation proceeds. Non-traded preferred stock does not trade on a securities exchange and may be illiquid for an extended period of time.

When you are deciding whether to purchase a specific investment, make sure you obtain, review, and discuss with your financial professional the documentation related to the investment that outlines the details of the investment (i.e., annual reports, prospectuses, and offering memorandums that discuss the structure of the investment, fees/costs, management, portfolio,

restrictions, contributions, distributions, risks, etc.) The documentation should be provided by your financial professional or can be obtained directly from the investment sponsor.

Public Offerings

As a registered broker-dealer we participate in initial offerings of closed-end funds seeking to raise capital and offer clients the opportunity to participate in these offerings. Our participation creates certain conflicts of interest that are described below.

- **Initial Offerings of Closed End Funds** – Unlike mutual funds, closed-end fund shares are not continuously offered, and they cannot be sold back to the fund. Rather, after an IPO, shares of closed-end funds trade on a securities exchange, and like stocks, their share price may change throughout the trading day. This differs from open-end mutual funds, which price shares only once at the end of each trading day. While a mutual fund prices its shares based on the aggregate net asset value (“NAV”) of its investment portfolio, the price of shares in a closed-end fund fluctuates according to market forces. Shares of closed-end funds sometimes drop in value after their IPO and can trade at prices lower than (or at a discount to) their NAV, which means that the market price of the shares may be lower than the aggregate value of the fund’s investment portfolio. This creates a risk of loss for investors when selling shares, particularly those sold shortly after purchase in an IPO. The risk that closed-end fund shares may trade at prices lower than NAV due to market forces, however, is separate and distinct from the risk that a closed end fund’s NAV can decrease due to the performance of its underlying investment portfolio. Please consider whether to purchase shares of closed-end funds in an IPO or after the closed-end fund begins trading on a stock exchange. Each method will generally involve different costs and affect how your financial professional is compensated.

Item 8: Risk Disclosures

Investing in any type of security involves risk of loss that you should be prepared to bear. Sanctuary does not guarantee the performance of an account or any specific level of performance. Market values of the securities in the account will fluctuate with market conditions. When an account is liquidated, it may be worth more or less than the amount invested.

There is no guarantee that a client’s investment goals or objectives will be achieved. All securities are subject to some level of risk which could cause the value of your securities to decrease in value, and in some cases, could result in a loss of your entire investment. Our investment approach constantly keeps the risk of loss in mind. When you consider any investment, be aware of the risks involved; only you can determine your tolerance for risk, and we rely on the information you provide to us in the new account application. Some investments, such as mutual funds, provide a prospectus containing detailed information, including details on items such as fees, charges, policies, expenses, and risk factors. Always read a prospectus carefully before you invest.

The following are some types of risk that could affect the value of your account:

Market risk: The risk that changes in the overall market will have an adverse effect on individual securities, regardless of the issuer's circumstances.

- Business risk: Whether because of management or unfortunate circumstances, some businesses will inevitably fail. This is especially true during economic recessions. For example, a company stock can become worthless in the event of bankruptcy, which would result in a loss of capital to the shareholders.
 - Interest rate risk: If the Federal Reserve pushes interest rates higher, the market prices of bonds can be affected. When interest rates rise, the market price of bonds typically falls.
 - Inflation risk: Inflation reduces the buying power of a dollar, and could cause uncertainty among individual investors, possibly resulting in corporations backing away from projects which could further reduce the value of corporate equities.
 - Regulatory risk: Legislative, regulatory, and/or judicial changes that impact businesses can drastically change entire industries.
 - Industry/company risk: These risks are associated with a particular industry or a specific company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, which is a lengthy process before they can generate a profit. They carry a higher risk of fluctuations in profitability than an electric company, which generates its income from a steady stream of clients who buy electricity no matter what the economic environment is like.
 - Liquidity risk: Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.
 - Opportunity risk: You or your financial professional may choose a conservative product to invest in, which could cause you to miss out on market upswings which potentially could have increased the value of securities with higher risk. The opposite is also true; market downturns can cause you to lose a significant amount of principal invested in higher risk securities when their funds could have been invested in lower risk securities.
 - Reinvestment risk: There is a possibility that you will be unable to make additional purchases of a security already in your portfolio at the same rate at which the original purchase was made.
 - Currency or exchange rate risk: Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which will cause the value of your portfolio to fluctuate.
 - Transactional cost risk: You could incur significant transactional charges in an unbundled, actively traded account. Frequent trading can decrease the value of your account due to increased brokerage and transaction costs. In addition, frequent trading can cause taxable events to occur, which could increase your tax burden.
 - Short sale risk: While a short position has unlimited capability to increase in value, it in turn increases your risk, as you can be required to purchase the security at a high rate or price in order to cover the short sale.

- Exchange-Traded Funds: ETFs face market trading risks, including the potential lack of an active market for fund shares, losses from trading in the secondary markets, and disruption in the creation and redemption process of the ETF. Any of these factors can lead to liquidity risk and/or the fund's shares trading at a premium or discount to its "net asset value."
- Leveraged and inverse ETFs: ETFs that offer leverage or that are designed to perform inversely to the index or benchmark they track—or both—are growing in number and popularity. While such products may be useful in some sophisticated trading strategies, they are highly complex financial instruments that are typically designed to achieve their stated objectives on a daily basis. Due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. Therefore, inverse and leveraged ETFs that are reset daily typically are unsuitable for clients who plan to hold them for longer than one trading session, particularly in volatile markets.
- Interval Funds: Interval funds provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that a client will be able to sell all of their shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- Environmental, Social, and Governance ("ESG") strategies: The implementation of ESG strategies could cause an account to perform differently compared to accounts that do not use such strategies. The criteria related to certain ESG strategies can result in an account foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities to comply with ESG guidelines when it might be otherwise disadvantageous to do so. In addition, an increased focus on ESG or sustainability investing in recent years may have led to increased valuations of certain issuers with higher ESG profiles. A reversal of that trend could result in losses with respect to investments in such issuers. There can be no assurance that an ESG strategy directly correlates with a client's ESG goals, and ESG data is not available with respect to all issuers, sectors or industries and is often based upon estimates, comparisons or projections that may prove to be incorrect. As a result, a client account with ESG guidelines could nonetheless be invested in issuers that are inconsistent with the client's ESG goals.
- Structured Products: A structured product is an unsecured obligation of an issuer with a return, generally paid at maturity, that is linked to the performance of an underlying asset, such as a security, basket of securities, an index, a commodity, a debt issuance or a foreign currency. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. A structured product may contain a call feature that can result in the investment being redeemed earlier than the stated maturity date. If a structured product is called prior to

maturity, the payment you receive will depend upon the stated terms of the investment. If a structured product is called, you may not be able to reinvest the proceeds in a similar investment with similar risk and return characteristics.

- Money Market Mutual Funds: While money market mutual funds seek to preserve a net asset value of \$1.00, during periods of severe market stress, a money market mutual fund could fail to preserve a net asset value of \$1.00 and/or could no longer be a viable business for the fund sponsor, which would force the sponsor to liquidate. It is possible to lose money by investing in a money market mutual fund.
- Credit risk: The risk that an issuer of a fixed income security may fail to pay interest and/or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. These risks are greater for securities that are rated below investment grade (junk bonds), which may be considered speculative and are more volatile than investment grade securities.
- Options: Holding options for long-term periods could weaken and/or reduce the value of the underlying stock or create the possibility of a worthless position.
- Global risk: International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets are not as politically and economically stable as the United States and other nations.
- Cybersecurity risk: Sanctuary relies on electronic systems to safeguard client information. These systems may be subject to cybersecurity risks, including unauthorized access, data breaches, ransomware attacks, or service disruptions. While the firm employs security measures designed to protect client information and maintain business continuity, no system is entirely immune. A significant cybersecurity event could result in the loss, theft, or compromise of client data and interruptions in the ability to trade.

You should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

Item 9: Other Financial Industry Affiliation

Sanctuary is a fully disclosed broker-dealer headquartered in Miami, Florida. The Firm is owned by Sanctuary Wealth Group, LLC. Sanctuary is registered as a broker-dealer with the SEC and is a member firm with the Financial Industry Regulatory Authority ("FINRA"). The Firm was approved as a FINRA member firm on December 1, 1939. It is licensed to conduct business in 52 US States and Territories.

Sanctuary is under common ownership with Sanctuary Advisors, LLC.

- Sanctuary Advisors, LLC

This Brokerage Services Disclosure Summary is subject to change. Sanctuary may not notify you when these changes are made. To obtain a current version or for additional information, please refer to our website at [Sanctuary Wealth](https://www.sanctuarywealth.com). If you are unable to access the website or want to request a paper copy of any of the documents referenced here, please contact your financial professional.