

## Regulation Best Interest

# General Disclosure

### ABOUT THIS DOCUMENT

#### IMPORTANT- WHEN YOU RECEIVE THIS DOCUMENT

This general disclosure describes the business practices, products, compensation, and conflicts of interest related to the brokerage business of Insigneo Securities, LLC (“Insigneo,” “ISEC,” or the “Firm”). References to “we,” “us,” “our,” or “Insigneo” include Insigneo, its affiliate Insigneo Advisory Services, LLC (“IAS”), and their respective investment professionals (“IPs”), collectively or individually, as the context requires, unless otherwise noted.

This disclosure is provided before or at the time a recommendation is made and will be updated from time to time. The most current version is available at <https://insigneo.com/disclosures/>.

Additional information about ISEC and IAS and its IPs are available on FINRA’s website at <http://brokercheck.finra.org> or via the SEC’s website at <https://adviserinfo.sec.gov>.

#### KEY FACTS AT A GLANCE- (SUMMARY)

- We offer brokerage services (transaction-based compensation) and advisory services (asset-based fees).
- Brokerage accounts generally involve commissions or markups and do not include ongoing monitoring.
- Advisory accounts involve ongoing management and asset-based fees, creating an incentive to gather and retain assets.
- We and your IP receive different forms of compensation depending on products or strategies recommended, which create conflicts of interest.
- Our product offerings are limited by platform availability, jurisdiction, and/or proprietary/affiliate relationships.
- You should ask:
  - How are you paid for this recommendation?
  - Are there lower-cost or less-conflicted alternatives?
- Certain recommendations are subject to material limitations arising from product availability, platform relationships, proprietary or affiliated products, internal guidance provided to IPs, or service provider arrangements. These limitations affect the range of products or alternatives presented to you.

Table of Contents

Regulation Best Interest.....1

ABOUT THIS DOCUMENT .....1

1. INTRODUCTION ..... 4

2. BROKERAGE SERVICES..... 5

    2.1 Retirement Account Rollover ..... 5

    2.2 Account Information and Limitations ..... 5

    2.3 Investment Professional Information and Limitations..... 5

    2.4 Material Limitations- Platform and Provider Availability..... 6

    2.5 Order Routing and Execution..... 6

3. FEES, COMMISSIONS AND OTHER COSTS ..... 6

    3.1 Schedule of Common Fees and Commissions- Summary..... 6

4. INVESTMENT PROFESSIONALS’ COMPENSATION, FEES AND RELATED CONFLICTS .....7

    4.1 Gifts, Gratuities and Non-monetary Compensation.....7

    4.2 Recruitment Compensation.....7

    4.3 Period Incentives ..... 8

    4.4 Material Limitations – Charge Card Services..... 8

    4.5 Compensation to Third – Party Referrals Agents..... 8

    4.6 Sponsors Marketing and Events ..... 8

    4.7 Personal Trading ..... 8

    4.8 Material Limitations – Proprietary and Affiliated Products ..... 8

    4.9 Life Insurance Referrals ..... 9

    4.10 Investment Banking Referrals ..... 9

    4.11 Outside Business Activities..... 9

    4.12 Material Limitation – Clearing Firm Relationship ..... 9

5. PRODUCT OFFERINGS.....10

    5.1 Equity Investments .....10

    5.2 Cash Management and Sweeps Options .....10

    5.3 Fixed Income Securities.....10

    5.4 Mutual Funds.....10

    5.5 Material Limitations – Firm Guidance and Product Lists ..... 11

    5.6 Proprietary Products..... 11

    5.7 Alius Capital Partners ..... 11

    5.8 Exchange Traded Funds .....12

    5.9 Exchange Traded Notes.....12

5.10	Annuities.....	12
5.11	Structured Notes- Retrocessions .....	12
5.12	Options Strategies .....	12
5.13	Lending Income – Margin and Non-Purpose Loan.....	13
5.14	Bank Deposit Interest on FDIC Cash Sweeps.....	13
5.15	Material Limitations - Private Markets Platforms .....	13

## 1. INTRODUCTION

Insigneo is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). As a broker-dealer, Insigneo transacts business in various types of securities, including mutual funds, exchange-traded funds (ETFs), stocks, bonds, options, real estate investment trusts (REITs), alternative investment products, municipal securities, amongst others. The Firm operates pursuant to SEC Rule 15c3-3(k)(2)(ii), also known as the Customer Protection Rule, clearing and settling transactions on a fully disclosed basis through its clearing firm, Pershing LLC.

IAS is a registered investment adviser with the SEC that provides advisory services to high-net-worth individuals, pension plans, trusts, corporations, and other business entities domiciled or residing in the United States, Latin America and other countries abroad. Clients can choose IAS to manage a portion or all their assets on a discretionary or non-discretionary basis. Insigneo maintains a network of individuals, referred to as “Investment Professionals,” who offer brokerage services, investment advisory services, or both, depending on their licenses and qualifications. Some of Insigneo’s IPs are investment adviser representatives (IAR) of IAS, registered representatives (RRs) of ISEC and/or are dually associated and registered with both IAS and ISEC. Certain IPs of Insigneo are also independent contractors of affiliated non-U.S. brokerage firms and/or investment advisory firms primarily domiciled in Latin America.

Although most Investment Professionals offer both brokerage and investment advisory services, some only offer brokerage services and others only offer investment advisory services. When you are discussing services with your Investment Professional, you should ask in what capacity the financial professional is acting or will be acting regarding the services being provided.

When you enter in a relationship with Insigneo, you will be establishing a brokerage account. While the Firm provides you with investment advice in relation to your brokerage account, the investment advice will be incidental to the securities transactions that are recommended to you in your brokerage account. As a broker-dealer, all recommendations that Insigneo provides regarding your brokerage account will be made in a broker-dealer capacity and not in an investment advisory capacity. This means that Insigneo does not have the authority to act on a discretionary basis in your brokerage account or charge a fixed fee on your account based on assets under management. Your written or verbal consent will be required before any securities transactions are placed in your account. Additionally, in brokerage accounts we conduct supervisory reviews of transactional activity post-trade to ensure that the transactions placed in your account are suitable and in your best interest. These reviews are not the same as ongoing monitoring or management of your brokerage account, and you should not assume we will continuously monitor your brokerage holdings unless we expressly agree to provide that service in writing. When Insigneo makes a recommendation to purchase and sell securities in your brokerage account, it will do so only if the Firm believes that it is in your best interest to enter into such transactions and strategies. Insigneo will determine if a recommendation is in your best interest by considering the following, amongst other factors:

- Investment Objective;
- Risk Tolerance;
- Time Horizon;

- Liquidity Needs;
- How security is related to your overall investment goals;
- How the recommendation is consistent with your stated investment strategy;
- Costs and fees associated with the security and transaction, and;
- Possible conflicts of interest that are present.

Certain programs offered through our advisory business use model portfolios and periodic rebalancing features, as described in the applicable advisory program documents. These services are separate from brokerage services and are provided only where you have agreed in writing to the advisory program terms (including any discretionary authority, where applicable). You should not assume that brokerage accounts are monitored or rebalanced unless we expressly agree to provide that service in writing.

You should be aware that while the Firm will take all available measures and efforts in developing an investment strategy and/or securities recommendations on your behalf, investments in securities involve risks and you have the potential to lose your entire principal and initial investment. As such, Insigneo cannot guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as expected. Please consult any available offering documents for any security recommended to you for a discussion of risks and fees associated with the product.

Insigneo and its Investment Professionals are compensated differently depending on whether you have a brokerage or advisory account. Brokerage compensation is generally transaction-based, while advisory compensation is typically asset-based. These compensation structures create incentives that can influence recommendations. Detailed information about fees, compensation, and conflicts is provided later in this disclosure.

## **2. BROKERAGE SERVICES**

### **2.1 Retirement Account Rollover**

We are required to act in your best interest when recommending a retirement account rollover, such as when you are considering moving from a 401(k) to an IRA. We will conduct a comparative analysis of fees, services, and investment options, ensuring the recommendation is not solely to generate commissions and fees.

### **2.2 Account Information and Limitations**

Accounts are opened upon completion of required documentation and are subject to applicable anti-money-laundering and know-your-customer requirements. Products and services availability vary based on a client's jurisdiction, account type, and eligibility requirements. If there is a trade error in your account that is caused by the Firm or other market circumstances, clients will not bear losses resulting from the error. However, any market gains that result from correcting an error are retained by the Firm. Insigneo does not provide tax or legal advice. Any discussion of tax-related matters is not intended or written to be used for the purpose of avoiding tax penalties under applicable law. Clients should consult their own independent tax or legal advisors regarding their individual circumstances.

### **2.3 Investment Professional Information and Limitations**

All IPs must be properly registered with FINRA and pass all relevant examinations and qualifications. In addition, all IPs must register in states and U.S. territories where they intend to serve customers. Specific information about your IP is available via <http://brokercheck.finra.org>.

**2.4 Material Limitations- Platform and Provider Availability**

Certain products and services such as alternative investment products are available to you only through third-party platforms or program providers that Insigneo has approved for use on its platform (for example: iCapital, and CAIS) This constitutes a material limitation on the products and alternatives that Insigneo and your Investment Professional recommend through these platforms. This means your options in alternative investments are limited because Insigneo does not have other alternative investment providers on its platform.

**2.5 Order Routing and Execution**

Customer orders for equities and mutual funds are generally routed to our clearing firm, Pershing LLC, for execution. Pershing execute orders on a riskless principal basis or on an agency basis. All orders are subject to best execution obligations, taking into consideration pricing, efficiency of execution, speed, and cost. Fixed income transactions are routed to Insigneo’s trading desk for pricing and sourcing. Pershing and/or Insigneo receive remuneration (e.g., credits, rebates) from certain market centers. Details are available upon request.

**3. FEES, COMMISSIONS AND OTHER COSTS**

You pay certain fees and costs associated with your account and transactions, including commissions, mark-ups/mark-downs, sales loads, exchange and regulatory fees, transfer taxes, wire fees, custodial charges, and other charges mandated by applicable regulations. Additional fees apply for non-U.S. securities and American Depository Receipts (ADRs). Interest is charged on debit balances, margin loans, and certain short positions per Regulation T. Fee minimums and account minimums vary; householding and certain waivers may apply.

**3.1 Schedule of Common Fees and Commissions- Summary**

The fees below are common examples and vary based on product, account type, and trading activity. You will find the exact fees charged on your trade confirmations and account statements. You can request a complete list of fees from your Investment Professional.

**Costs related to trades (Buy / Sell):**

Category	Commission, Fees, Markup
Fixed Income	Up to 3% Mark Up
Structured Notes	Ranges from 0% -3.75% depending on tenure and other characteristics of the note
Mutual Funds	Certain mutual fund share classes pay trailer fees (as further described below). These trails are above the sales credit the IP earns at the time of sale. Please note that a minimum of \$50.00 commission can apply and up to a maximum of 6% can be assessed depending on the characteristics of the fund family.

Equities	Up to 5% or minimum \$50.00 Commission
Options	Up to 5% or minimum \$100.00 Commission
Spot FX transactions	Up to 1% of the overall FX Rate
Service Charge (indicated on each transaction confirmation for administrative fees)	\$0-\$25 maximum

**Other costs related to the brokerage account:**

Category	Commission, Fees, Markup
Brokerage Account Maintenance Fee	\$375.00
Investment Professional Maintenance Fee (optional fee upon agreement of the client) <sup>1</sup>	From \$375.00 to a maximum of \$1000.00.

#### 4. INVESTMENT PROFESSIONALS’ COMPENSATION, FEES AND RELATED CONFLICTS

Insigneo and its IPs receive compensation in connection with the brokerage and advisory services described in this disclosure. Compensation generally includes commissions, mark-ups or mark-downs, asset-based advisory fees, trails, retrocessions, revenue sharing, referral fees, forgivable or repayable loans, non-cash compensation, and other economic benefits. These compensation arrangements create conflicts of interest because they provide financial incentives to recommend certain products, strategies, account types, service providers, certain transactions over others, or to encourage additional trading or asset transfers. Insigneo addresses and mitigates these conflicts through various means including: disclosure, supervision, compensation controls, surveillance, and periodic reviews reasonably designed to ensure recommendations are made in your best interest. Additional compensation arrangements, material conflicts, and limitations applicable to specific circumstances are described below.

##### 4.1 Gifts, Gratuities and Non-monetary Compensation

From time to time, third parties provide non-monetary items (e.g., meals, event invitations, promotional items) to Insigneo and its IPs. Insigneo is required to mitigate potential conflicts of interest arising from gifts and gratuities that could potentially incentivize its IPs to place their own interests ahead of their customers. Firm policies limit value, require appropriateness, and prohibit quid pro quo arrangements.

##### 4.2 Recruitment Compensation

Insigneo pays compensation to associated persons who recruit IPs to the Firm. Such compensation is based on revenue, asset levels, or other performance criteria. These arrangements are subject to supervision and periodic

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<sup>1</sup> Please note that the Firm can rebate the Investment Professional Maintenance Fee (IPMF) back to the IP for any charge above \$375. For example, if your IP charges you \$500 for the IPMF, the Firm, at its discretion, can rebate \$125 back to the IP. Please consult with your IP for further details.

review to address potential conflicts of interest and to ensure consistency with client best-interest obligations. Incentives (e.g., forgivable/repayable loans, office reimbursements) are be offered to IPs contingent on performance (e.g., profitability, assets under management). We review and monitor such arrangements.

#### **4.3 Period Incentives**

From time to time, Insigneo offers incentive programs, such as net-new-asset campaigns or similar awards. These programs create incentives related to asset transfers or increase in account activity. Insigneo addresses these conflicts through disclosure, restrictions on incentive structures, enhanced supervisory review of recommendations during incentive periods, monitoring of product mix and trading patterns, and review of outliers to identify potential concerns.

#### **4.4 Material Limitations – Charge Card Services**

Insigneo refers customers to Karta charge card, a non-affiliated third-party provider of charge card services, pursuant to a separate agreement. Insigneo shares certain client account information with Karta to facilitate these services. Insigneo receives compensation related to customer charge card transactions and provides financial incentives to IPs for successful referrals.

Insigneo or an affiliated entity is evaluating and may make a financial investment in Karta, which could result in Karta becoming an affiliated or proprietary relationship. These arrangements create conflicts of interest and a material limitation because Insigneo currently offers no alternative charge card products. Insigneo has policies and procedures designed to address these conflicts, but you should consider these arrangements when deciding whether to subscribe to Karta's services.

#### **4.5 Compensation to Third – Party Referrals Agents**

Insigneo pays compensation to unregistered third parties, such as Foreign Finders solely for the initial introduction of brokerage accounts. Foreign Finders are not permitted to recommend securities, solicit transactions, or handle customer funds or securities. These arrangements present compensation-based conflicts of interest. Insigneo mitigates these conflicts by imposing caps on compensation and supervising these relationships to ensure they remain limited to initial referral of customer accounts.

#### **4.6 Sponsors Marketing and Events**

Product sponsors fund or support educational events, marketing activities, or client events. These arrangements create incentives related to product exposure or visibility. Insigneo discloses sponsor relationships and supervises recommendations made in connection with sponsored activities. A list of sponsors can be found by clicking on the link [ISEC - Event Sponsors Disclosure](#).

#### **4.7 Personal Trading**

IPs and employees trade securities for their own personal brokerage accounts. Insigneo monitors personal trading through surveillance systems designed to address any potential conflicts, including trading ahead of clients. IPs are prohibited from engaging in activities that disadvantage clients, and corrective actions are promptly taken, where applicable.

#### **4.8 Material Limitations – Proprietary and Affiliated Products**

From time to time, the Firm recommend securities issued by entities under common control with Insigneo or that are managed by IAS or distributed by Insigneo. Please ensure to review the offering documents for investments

recommended and managed by Insigneo and its affiliates. Importantly, you should know that Insigneo Capital, S.A. (“ICAP”) and Alpha Capital Management, LLC (“ACM”) are indirectly owned by the indirect owner and control person of ISEC and IAS. Securities that you purchase from Insigneo or IAS that are controlled by ICAP generate fees for ICAP and ACM, as well as ISEC, and IAS. Thus, these fees inure, in part, to the benefit of the common control person as well as to any other owner(s) of the parent company, Insigneo Financial Group. The availability or emphasis of proprietary or affiliated products materially limits the range of unaffiliated products that are presented to you.

#### **4.9 Life Insurance Referrals**

Referral fees are shared by Insigneo and IPs when life-insurance referrals result in sales. Insigneo maintains a list of participating insurance companies through its relationships with various Insurance Policy Issuers. A list of these companies can be found on the website, by clicking on the link [ISEC - Life Insurance Referrals Disclosure](#).

#### **4.10 Investment Banking Referrals**

Insigneo receives referral fees for introductions to third-party investment banking firms; IP receives a share of revenue earned. Referred customers will engage with the investment banking business entity on their own, according to the mandate or engagement established between the investment banking business and the referred customer.

#### **4.11 Outside Business Activities**

IPs are generally classified as independent contractors and some engage in Outside Business Activities (OBAs) where they receive additional compensation away from the Firm. Insigneo will mitigate and/or eliminate any IP’s OBA that presents a conflict of interest with securities recommendations, solicitation of products and accounts along with any other services they are providing to you. To view the IP’s OBAs visit <https://brokercheck.finra.org/>.

#### **4.12 Material Limitation – Clearing Firm Relationship**

Insigneo uses Pershing LLC as its clearing firm for execution, clearing, and custody services. Pershing charges transaction-based fees, which we pay and then pass on to you. These fees are higher than what Pershing charges us because they include compensation for our services. For example, wire transfer fees cover both Pershing and Insigneo costs. We negotiate with Pershing for cost savings and improved terms, and receive discounts, credits, or fees based on account activity or assets under management. Pershing also pays us for new assets introduced to its platform. These benefits are not always passed on to clients and create a financial incentive for us to maintain and grow our relationship with Pershing.

The Firm pays fees to its clearing firm and other service providers for custody, execution, recordkeeping, and related services and determines the fees charged to clients based on its service model and pricing arrangements. As a result, fees charged to clients can exceed the Firm’s direct third-party costs and reflect services provided by the Firm, including supervision, technology, and operational support. Client fees are used to compensate service providers, the Firm, and Investment Professionals, whose compensation is generally based on net revenue after applicable third-party and platform costs. Because the Firm calculates client fees, issues bills, reconciles third-party charges, and allocates revenues, it benefits when client fees exceed its direct third-party costs, which represents a conflict of interest. This relationship constitutes a material limitation because Insigneo does not offer you a choice of alternative clearing firms. Financial benefits we receive from Pershing,

including credits or payments related to assets introduced, create conflicts of interest that can influence this ongoing relationship.

## 5. PRODUCT OFFERINGS

Insigneo and your IP receive compensation in connection with the products and services described in this section. Compensation includes commissions, markups or mark-downs, trails, retrocessions, revenue sharing, referral fees, or other economic benefits. These compensation arrangements create incentives to recommend certain products, strategies, or transactions over others. Insigneo addresses these conflicts through disclosure, supervisory review, compensation controls, and policies designed to ensure that recommendations are made in your best interest. Additional product-specific conflicts, material limitations, or compensation arrangements are described where applicable below.

### 5.1 Equity Investments

Equity transactions involve transaction-based compensation, primarily in the form of commissions. Equity investments carry inherent risks, primarily the potential for loss of capital due to declining share prices and market volatility. Equities are also subject to other risks, such as company-specific performance issues, and potential liquidity constraints, amongst others. Insigneo maintains a robust supervisory review and surveillance program in place to ensure equity investments recommended are aligned with your investment objectives and goals.

### 5.2 Cash Management and Sweeps Options

Brokerage accounts include a core position used to hold uninvested cash. Available sweep options include FDIC-insured bank deposit sweeps and/or money market mutual funds. Certain cash-management features (such as debit cards, checking features, or direct deposit) are made available through third-party program providers (for example, Corestone) and is to provider eligibility requirements, jurisdictional availability, and provider terms. Insigneo does not receive compensation, revenue sharing, or referral fees from Corestone or our partner banks for making these services available.

Insigneo and its affiliates receive fees or interest related to certain sweep programs (as described in this disclosure). Alternative sweep options differ in risk and yield. Please review applicable program disclosures for details.

### 5.3 Fixed Income Securities

Insigneo conducts fixed income transactions in a riskless principal capacity. This means that we buy or sell the security directly from you, rather than act as your agent to buy or sell the security from a third party. If we sell a security at a price higher than what we paid for it, we will earn a markup. Conversely, if we buy a security from you at a price lower than what we sell it for, we will earn a markdown. Transactions in bonds and other fixed-income securities such as structured products often occur as dealer transactions. The Firm's maximum markup/markdown on a fixed income transaction when acting in a riskless principal capacity is 3% of the value of the transaction.

### 5.4 Mutual Funds

Different share classes carry different fees (e.g., sales loads, 12b-1 fees, trails), creating compensation differences. Review each fund's prospectus for costs and share-class features. Insigneo receive ongoing trailers

and additional retrocessions for distribution/marketing and shareholder servicing. Please note that the majority of mutual fund business offered by Insigneo are offshore funds which means that the Firm has discretion to adjust and modify pricing to customers, accordingly, as opposed to traditional U.S. mutual funds which have pre-established sales charges. Trailers are be shared with IPs and additional retrocessions are retained by ISEC. Conflicts also arise where IAS manages a fund or where interests are placed by affiliates. Information regarding retrocessions and “trailers” can be found in the prospectus and related offering documents and a listing of all funds with which Insigneo has a distribution agreement, can be found on our website, [ISEC - Mutual Fund Retrocessions Disclosure](#). Insigneo maintains the following mutual fund distribution arrangements which provide Insigneo with additional retrocession payments, [ISEC - Mutual Fund Additional Retrocessions Disclosure](#). In addition, these funds families, from time to time, provide assistance with sponsoring an Insigneo event, [ISEC - Mutual Fund Sponsors Disclosure](#). Please note that these lists are not static and are subject to change. Additional details can be obtained upon request.

### 5.5 Material Limitations – Firm Guidance and Product Lists

From time to time, the Firm provides investment support and guidance to its IPs through its Chief Investment Officer including model portfolios, asset allocation proposals, and certain products or strategies the Firm believes to be appropriate under certain conditions. These recommendations materially limit the range of products that are presented or emphasized to you, even though other products or strategies are available on our platform. You can ask whether a recommendation is based on the Firm’s investment strategy or whether alternatives outside of Firm recommendations are available.

### 5.6 Proprietary Products

As previously outlined, ISEC offers proprietary products designed to provide access to investments that typically require high minimums. These products carry fees, costs, and expenses in addition to transaction-based charges. In some cases, proprietary products can be more expensive than similar third-party options. Because ISEC earns greater compensation from proprietary products, we have an incentive to recommend them over non-proprietary alternatives. These relationships and compensation structures create potential conflicts of interest. Clients should review offering documents and prospectuses for full details. Examples of Proprietary Products include:

- **Insigneo Access Fund:** Advised by IAS and invested in funds managed by SCS Investment Partners. IAS earns advisory fees, and the general partner, Alpha Capital Management, is under common control with Insigneo and its controlling shareholders.
- **Focused Growth Fund:** Managed by affiliates of Insigneo and IAS. Insigneo has waived its 20-basis point distribution fee for the next \$35 million raised, passing that fee to brokers. Additional disclosures are available in the offering documents.
- **Insigneo Senior Loan Fund:** Offered through Insigneo and/or IAS acting as placement agents. These affiliates receive direct compensation or referral fees equal to 0.15% annually based on net asset value of successful placements. This creates a conflict as placement agents are under common control with the Investment Manager.

### 5.7 Alius Capital Partners

Alius Capital Partners (“Alius”) serves as a strategic real estate partner to Insigneo, supporting the sourcing, pre-diligence, due diligence, structuring, and internal distribution of select real estate investment opportunities

offered on the Insigneo platform. Alius conducts initial screening, advances a limited number of opportunities to full due diligence, presents recommendations to Insigneo, and assists with negotiating fees, structuring distribution vehicles, and advisor education. Alius performs both sourcing and diligence functions, compensation vary by product, and fund sponsors offer more favorable economic terms to access the platform. Certain structures allow Insigneo to receive additional compensation beyond underlying investment costs, and capital aggregation across channels trigger fee reductions or rebates that are retained by Insigneo or shared with investors. As such, these arrangements create actual or potential conflicts of interest as Insigneo can be inclined to recommend products by fund sponsors who offer more favorable economic terms to the Firm.

### **5.8 Exchange Traded Funds**

ETFs vary in strategy, cost, liquidity, and risk. Some ETFs, including leveraged, inverse, actively managed, or cryptocurrency-linked ETFs, involve heightened risk or complexity with limited liquidity and are not appropriate for all investors. Clients should review applicable prospectuses and discuss suitability with their Investment Professional.

### **5.9 Exchange Traded Notes**

Exchange Traded Notes (ETNs) are unsecured obligations of issuers and carry issuer credit risk; performance differs from referenced indexes due to fees and structural features. Leveraged/Inverse ETNs are generally not for long-term holding. These conflicts are mitigated through supervision, disclosure, and processes designed to ensure recommendations are made in your best interest. ETNs are not suitable for all investors. Clients should review offering documents and speak with their IPs to determine whether ETNs align with their objectives and risk tolerance.

### **5.10 Annuities**

Annuities involve contract-specific fees, surrender charges, and long-term commitments. Compensation and fees vary by product type and issuer. Clients should review annuity offering documents and consider time horizon, liquidity needs, and costs before investing.

### **5.11 Structured Notes- Retrocessions**

Insigneo has distribution agreements with certain structured note issuers. Structured notes are fixed tenor securities that establish payoff and other potential benefits. The underlying reference assets include single equity or debt securities, or baskets of reference assets including commodities and indexes, and overall performance is dependent on various market outcomes. We receive retrocessions/fees (including discounts retained on sales at par, up to 3.75%). A platform provider pays Insigneo per transaction for marketing assistance; these platform fees are not shared with IPs. A list of the issuers that have entered into a distribution agreement that pay retrocessions to Insigneo in varying percentages based upon the distribution of their notes can be found on our website with the following disclosure document - [ISEC - Structured Product Issuer Agreement Disclosure](#).

### **5.12 Options Strategies**

Options trading involves unique risks, including leverage, time decay, and volatility, and is not suitable for all investors. Options transactions involve transaction-based compensation and are subject to enhanced supervision. Clients should review options disclosure documents along with the Options Disclosure Booklet

available at <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document> and discuss risks and objectives with their IP.

### **5.13 Lending Income – Margin and Non-Purpose Loan**

ISEC earns income from lending activities, primarily facilitated by Pershing, in addition to commissions or other compensation from related securities transactions. In some cases, interest—sometimes called “broker participation” or “distribution assistance”—is shared with your IP. Pershing uses cash balances in your account to fund lending activities. ISEC and your IP earn more as the amount borrowed or outstanding increases. Additionally, interest earned on collateral posted to borrow securities is shared between Pershing LLC and Insigneo, but not with your IP. Insigneo also offers customers the ability to purchase securities on credit, also known as margin purchases. When a customer purchases securities on margin, Pershing extends a line of credit to the customer and charges interest on the margin balance which in turn is shared with the Firm. Insigneo has a financial incentive to encourage margin borrowing because the Firm earns additional compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts.

### **5.14 Bank Deposit Interest on FDIC Cash Sweeps**

If you utilize an FDIC-insured sweep program, a portion of the interest paid will be shared with ISEC. Alternative sweep options (e.g., money market funds) pay different levels of compensation.

### **5.15 Material Limitations - Private Markets Platforms**

Private market investments are available only through third-party platforms approved by Insigneo, such as iCapital and CAIS, and are subject to platform eligibility, jurisdictional, and product availability constraints. This constitutes a material limitation on the private market investments that is be recommended, because Insigneo is limited to offerings available through these platforms. Your options in private market investments could be limited solely utilizing Insigneo’s platform. Insigneo receives upfront commissions and/or ongoing trail compensation on certain private market products but does not receive retrocessions from iCapital or CAIS.

If you have any questions about the contents of this General Disclosure, please contact us at (305) 373-9000, available Monday through Friday from 8:30 a.m. to 4:30 p.m. Eastern Time (ET).