

NATIONAL FINANCIAL SERVICES LLC

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1. STATEMENT OF FINANCIAL CONDITION

National Financial Services LLC (NFS) is required by the Securities Exchange Act of 1934 to provide certain financial information from its Statement of Financial Condition. At July 31, 2024, NFS had net capital of \$10,649 million, which was 23.50% of aggregate debit items and exceeded its minimum requirement by \$9,742 million. To acquire the Statement of Financial Condition, go to www.mybrokerageinfo.com. If you wish to obtain a copy of this document at no cost, please call 800.439.5627.

2. ORDER ROUTING DISCLOSURE

Regulation National Market System (Reg NMS) Rule 606 Annual Written Notice on Availability of Order Routing Information.

Quarterly Reports: Under SEC Rule 606(a), broker-dealers that route equity and option orders on behalf of customers are required to prepare quarterly reports that disclose specific information about their order routing practices for non-directed orders in NMS stocks and option contracts in NMS securities. The reports are made available to the public free of charge for each calendar quarter and published no later than one month after the end of the quarter.

Investor Inquiry: You may request your specific order routing and execution information in writing for the preceding six (6) months from the date of request. Under SEC Rule 606(b)(1), customers can request details on NMS stock and option non-directed orders in NMS securities, including the identity of the venue and the time of execution.

Under SEC Rule 606(b)(3), broker-dealers are required, upon request of a customer who places not-held orders, to provide specific disclosures regarding routing and execution of such orders.

3. INVESTING ON MARGIN

If you choose to borrow funds from your firm, you will open a margin account with NFS. The securities in your margin account are NFS's collateral for the loan to you. The actual amount you can borrow and NFS's margin maintenance requirements may vary depending on NFS's internal margin policies, which exceed the margin requirements of FINRA and NYSE. NFS's margin policies are subject to review and revision at any time in NFS's sole discretion. NFS reserves the right to alter the terms on your margin loan at any time to comply with changes in NFS's policies. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, NFS and your broker-dealer can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with NFS through your broker-dealer, in order to maintain the required equity in the account. NFS may also take action to sell securities or other assets in your accounts held with NFS and with certain affiliates.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account.
- NFS and your broker-dealer can force the sale of securities or other assets in your account(s).
- NFS and your broker-dealer can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- NFS can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance notice.
- You are not entitled to an extension of time on a margin call.
- NFS can loan securities held in your margin account, which collateralize your margin borrowing.
- Short selling is a margin account transaction and entails the same risks as described above.
- In addition to market volatility, the use of a bank card, checkwriting, and similar features with your margin account may increase the risk of a margin call.

Margin credit is extended by National Financial Services LLC, Member NYSE, SIPC. Contact your broker-dealer regarding any questions or concerns you may have with your margin account.

Any and all assets may be pledged, repledged, hypothecated, or rehypothecated, separately or in common with other securities or any other property as may be permitted by Rule 15c3-3 of the Securities Exchange Act of 1934 and any other applicable law and without retaining in Fidelity Investments' (Fidelity) possession or control for delivery, a like amount of similar assets. The value of the assets that Fidelity may pledge, repledge, hypothecate, or rehypothecate may be greater than the amount owed by you to Fidelity. In the event that Fidelity pledges, repledges, hypothecates, or rehypothecates any assets, Fidelity may receive and retain certain benefits to which you will not be entitled. Any dividend, interest payment, or other distribution paid in respect of an asset pledged, repledged, borrowed, hypothecated, or rehypothecated by Fidelity may be reclassified as a "substitute payment" and credited to your account. The tax consequences of receiving a substitute payment are different from the consequences realized from the receipt of a payment made by the underlying security. You will not be able to exercise voting rights in respect of assets pledged, repledged, borrowed, hypothecated, or rehypothecated by Fidelity.

4. DESIGNATED MARKET MAKER ("DMM") PARITY TRADING NYSE RULE 108(A)

In executing orders on the floor, floor brokers may permit a DMM to trade on parity with your order for some or all of the executions associated with filling that order where such permission would not be inconsistent with the floor broker's best execution obligations. You may instruct NFS, which will then instruct the floor broker, to object to a DMM's request to trade on parity with your order by communicating your objection to your investment representative.

5. FINRA RULE 5320

FINRA Rule 5320 generally provides that a member firm that accepts and holds an order in an equity security (as defined in FINRA and SEC rules) from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account, subject to certain exceptions.

Rule 5320.01 generally permits firms to negotiate terms and conditions on the acceptance of certain large-sized orders (orders of 10,000 shares or more and greater than \$100,000 in value) and orders from institutional accounts [as defined in FINRA Rule 4512(c)] that would permit firms to trade ahead of or along with such orders, provided that firms give clear and comprehensive written disclosure to such customer at account opening and annually thereafter that:

- a. discloses that the firm may trade proprietarily at prices that would satisfy the customer order, and
- b. provides the customer with a meaningful opportunity to opt in to the Rule 5320 protections with respect to all or any portion of its order.

From time to time, NFS may trade equities as principal and may trade on the same side of the market for its own account at a price that would satisfy a *large-sized or institutional customer* order, pursuant to Rule 5320. If you or your order meets that criteria and you wish to opt in to the Rule 5320 protections with respect to all or any portion of your order, you may do so by notifying your registered representative upon placing your order. If you wish to opt in for all of your orders, please notify NFS in writing at National Financial Services LLC, Attention: Fidelity Capital Markets, 200 Seaport Blvd., Boston, MA 02210. In the event you do not opt in to the Rule 5320 protections, NFS will conclude, as permitted by the rule, that you have consented to the firm trading a security on the same side of the market for its own account at a price that would satisfy your order, if applicable.

6. CALLABLE SECURITIES LOTTERY

NFS provides custody and clearing services on behalf of your broker-dealer. In that capacity, NFS is required to provide you with written notice on the manner in which you may gain website access to information regarding NFS's Impartial Callable Securities Lottery Process (the "Lottery Process").

We are also providing you with the following description of the Lottery Process:

When an issuer initiates a partial call of securities, the depository holding such securities (typically, the Depository Trust Corporation, "DTC") conducts an impartial computerized lottery using an incremental random number technique to determine the allocation of called securities to its participants (including NFS) for which it holds securities on deposit. Because DTC's lottery is random and impartial, in the case of a partial call, depository participants may or may not receive an allocation of called securities. In the event an issuer initiates a partial call of securities on or prior to a trade settlement date with respect to either a purchase or sale of the subject securities in a customer's account, NFS reserves the right to cancel the customer's trade. Customers are responsible for covering any outstanding short positions, as well as any other resulting costs in their account, that result from the lottery.

A more detailed description of the Lottery Process may be accessed by visiting www.mybrokerageinfo.com and clicking *Callable Securities Lottery Disclosure*. You may also request a hard copy of the Lottery Process by writing to National Financial Services LLC, P.O. Box 770001, Cincinnati, OH 45277.

7. MUNICIPAL INVESTOR EDUCATION AND PROTECTION

Notice to customers of broker-dealers that transact in municipal securities: Your introducing broker-dealer is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. An investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority is available on www.MSRB.org.