

Potential Alternatives for Investors

Real Estate Investment Trusts (REITs) and Business Development Companies (BDCs)

- 3 | Introduction to Non-Traded REITs
- 8 | What are Business Development Companies?
- 12 | The LPL Financial Culture of Due Diligence

With more than 10,000 people turning 65 every day, the conversation among financial advisors and clients has turned to income. Thanks to loose credit lending standards throughout much of the last decade, many baby boomers got used to spending more than they actually earned. Now they're waking up to the grim reality of reduced income in retirement, and they're seeking ways to improve their financial picture. This white paper addresses the needs of investors who are seeking potential alternatives by introducing non-traded real estate investment trusts (REITs) and non-traded business development companies (BDCs).

The Bear Market for Yields is Creating a Dilemma

For income seekers and bond investors, the last three decades have been quite rewarding with high-quality investments producing strong yields. However, like too many thirsty people going to the same watering hole for too long, the well eventually dries up. In this situation, the high demand has led to high prices and consequently low yields. Market volatility has worked to reinforce these yield concerns, limiting the amount of risk that investors are willing to take, and many have either fled the markets or have been seeking safety in U.S. treasuries and other high-quality securities they believe have minimal risk. However, these yields will increase as interest rates move upward from extremely low levels. In the longer term, while LPL Financial Research believes a higher interest rate environment is almost certain, others suggest that the current low interest rate environment may persist well into the future. This backdrop causes headaches for income-oriented investors that must take on increased levels of risk to increase income in their portfolios.

There are many ways to provide investors with potential alternatives; however, it's important to recognize that for investors who want to generate higher income, the trade-off always comes with an increase in risk such as interest rate risk, credit risk, liquidity risk, equity risk, or a combination of all.



Given investors' search for income and the growing popularity of alternative investments, including real estate and business development companies, this white paper will provide insight on the place and role for both non-traded REITs and BDCs in investor portfolios. Additionally, it explores why non-traded REITs and BDCs make sense for some investors.

There are several key components that attract investors to alternative investments. These elements include the potential for capital preservation, income, and high growth potential, with low correlation to the stock and bond markets. Changing financial markets demand an allocation strategy that incorporates more than just stocks, bonds, and cash. For example, non-traded REITs show a low or negative correlation to other asset classes over long periods. This low correlation means that when other investments are down, non-traded REITs may continue to perform.

There are several key components that attract investors to alternative investments. These elements include the potential for capital preservation, sustainable income, and high growth potential, with low correlation to the stock and bond markets.

Non-traded REITs are linked to the commercial real estate market, which can be volatile due to adverse macroeconomic changes and their impact on property values, tenant defaults, and occupancy rates, among other things.

Introduction to Non-Traded REITs

REITs are investment vehicles that invest in commercial real estate or real-estate-related debt. The structure has been around since the early 1960s and was developed as a way to allow individual investors access to large-scale, income-producing real estate. To qualify as a REIT, a company must have the bulk of its assets and income connected to real estate, and it must distribute at least 90% of its taxable income to shareholders annually in the form of a dividend. Qualifying as a REIT allows a company to deduct the distribution paid to shareholders from its corporate taxable income. Because of this special tax treatment, most REITs aim to pay out at least 100% of their taxable income to shareholders.

REITs may either be public investment vehicles registered with the SEC or they can be private placement REITs. Individual REITs can either be traded on an exchange or choose to be non-listed, and therefore non-traded. The primary difference between publicly traded and non-traded is that publicly traded REITs trade daily on a national exchange. This gives investors greater liquidity, along with higher volatility. There are other key differences in addition to the trading aspect. The table on page 6 compares the differences of publicly traded and non-traded REITs.

Non-Traded REIT Lifecycle

All non-traded REITs have three stages to their lifecycle: capital raise and acquisition, management, and disposition. The total timeline for most REITs is between 8 and 12 years, with each stage taking more or less time depending on the point in the market cycle. It's important to be aware of the point in the market cycle that a REIT is acquiring properties during the capital raise stage. The ideal time in the cycle for this stage to occur is after a market decline, when prices are lower and cap rates (yields) are high.

REIT Pricing and Valuation

Most non-traded REITs have a set offering price, usually \$10 per share, while they're in their capital raising stage. During this stage, the share price won't move, but the underlying net asset value (NAV) of the real estate will move depending on the economy. Once a REIT is closed to new investors, it will remain valued at its offering price until it's required to undergo a formal appraisal to determine its new NAV, which occurs approximately 18 months after it closes and then every year after, unless it has already been sold, merged, or listed. At this time, the NAV will either be adjusted up or down based on the appraisal and depending on the impact of the economy at that time. The NAV could also be impacted by fees, and the over—or under—payment of the distribution yield during the REIT's early stage.

There is a common myth that non-traded REITs have no volatility. While they aren't exposed to the day-to-day volatility of the public markets, non-traded REIT NAVs are exposed to economic volatility. Real estate is not immune to economic changes; in fact, it's very sensitive to them, with some property types more sensitive than others. In an economic recession where businesses look to reduce space and people move home rather than into apartments, real estate will lose value, and NAVs of non-traded REITs could be adjusted down 18 months after they close as rents are lowered and vacancies increase.

Conversely, NAVs will be adjusted upward with economic growth. There's no way around this—real estate is tied to the economy, even if it's not directly correlated to the stock market. Rents and occupancies historically tend to lag the economy by about 12 to 18 months, since it takes a while for the impact of economic weakness or growth to filter down to the real estate level.

Liquidity

Non-traded REITs should be considered illiquid investments, appropriate only for clients who don't need liquidity from the investment for 8 to 12 years. Most REITs do have liquidity provisions, which allow clients to request liquidity after they have owned shares for a certain period of time. However, the REITs can terminate this provision during real estate downturns, so that they aren't forced to sell properties at the wrong time to fund redemptions. This potential illiquidity should be considered a risk for non-traded REITs, but the ability to hold assets and sell them at a more opportune time should be considered a benefit. Selling properties at the wrong time creates a permanent loss of capital.

Fees

There are multiple fees that investors should understand and analyze before investing in a non-traded REIT. Total fees incurred during the lifecycle of a REIT may vary over time. Investors usually pay between 10% and 18% of the share price; however, this amount may vary over time and investors may pay more or less depending on the REIT. The remaining 82% to 90% goes "into the ground," which is to say it's invested in real estate. The greater the fees, the more the property in the portfolio must appreciate to reach the "break even" price of \$10 by the time of a re-pricing or liquidity event.

The initial fees usually consist of:

- Commission (3% to 7% for brokerage accounts)
- Other offering and organizational costs (3% to 5%)
- Acquisition fees (0% to 5%)
- Financing fees (0.5% to 0.75%)

In addition to up-front fees, there are ongoing fees that will be incurred during the management phase of the REIT. These include:

- Asset management fee (0.75% to 1% per year) of property in the portfolio at cost or fair market value
- Dealer manager fee (0% to 0.6% range per year)
- Property management fee (varies based on market conditions)

Finally, non-traded REITs also charge fees at the disposition stage of the REIT's life. These fees may include:

- Performance fee (around 15% of returns above some hurdle rate, usually 6%)
- Internalization fee (may be charged if REIT becomes publicly listed to purchase the advisor from the sponsor)
- Disposition and commission fees (0% to 3%)

Fee percentages are for example only and not representative of any specific investment.

According to BlueVault Partners, an Austin, TX-based research firm that specializes in non-traded REITs, for the 11 non-traded REITs that were introduced in 2011, fees dropped 23% from the previous average. Some fees (e.g., internalization fees) are being eliminated entirely. An internalization fee was charged when a contract between a REIT and its outside adviser expired and the REIT acquired the outside advisor. But now, several non-traded REIT sponsors have eliminated this fee.

Source: Nontraded REIT Industry Review. BlueVault Partners, LLC is not affiliated with LPL Financial.

Comparison of Publicly Traded and Non-Traded REITs

	Publicly Traded REITs	Non-Traded REITs
Overview	REITs that file with the Securities and Exchange Commission (SEC) and trade on a national exchange	REITs that file with the SEC but do not trade on a national exchange
Investment Objectives	Typically focused on appreciation of share value and income	Typically focused on providing consistent income, with appreciation of share value secondary (with the exception of opportunistic REITs)
Underlying Investments	Real estate and real-estate-related assets, with the ability to invest in development and construction for a portion of revenue	Real estate and real-estate-related assets, with less of an ability to invest in development and construction
Time Horizon	Long-term time horizon	Typically an 8- to 12-year time horizon
Capital Raise	Shares are offered perpetually	Shares are offered for a limited period of time
Liquidity	Daily liquidity on the public exchanges	Limited liquidity, with redemption programs that vary by company and can be shut off depending on market conditions; investors should be prepared for limited or no liquidity for the life of a non-traded REIT
Volatility	Daily volatility that is linked to the real estate markets and the stock markets	No daily volatility in share price until shares are repriced 18 months after the close of an offering period; however, the underlying value of the real estate is linked to the real estate markets and can fluctuate up or down upon repricing
Transaction Costs	Brokerage costs, which are the same as buying or selling any other publicly traded stock	Typically between 10% and 18%, including up-front offering costs, commissions, acquisitions, management, and other ongoing expenses
Management	Managers are typically employees of the company (internally managed)	The company typically has no employees and is managed by a third party pursuant to a management contract (externally managed)
Minimum Investment	One share	Typically \$1,000 to \$2,500
Independent Directors	Stock exchange rules require a majority of investors to be independent of management.	North American Securities Administrators Association (NASAA) guidelines require a majority of directors to be independent of management
Investor Control	Investors elect directors	Investors elect directors
Corporate Governance	Specific stock exchange rules on corporate governance	Subject to state and NASAA guidelines
Disclosure Obligation	Required to make regular SEC disclosures including quarterly financial reports and yearly audited financial reports	Required to make regular SEC disclosures, including quarterly financial reports and yearly audited financial reports
Share Value Transparency	Real-time market prices that are publicly available; stocks are typically covered by stock analysts	No independent information about share value available; company must provide an estimated share value 18 months after offer has closed, but there is no requirement for this to be completed by an independent party.
Risk Factors	Real-estate-related, economic-related, leverage, market volatility, valuations, pricing, fees, distribution coverage, and others outlined in the prospectus or, if available, summary prospectus	Real-estate-related, economic-related, illiquidity, leverage, valuations, pricing, fees, distribution coverage, and others outlined in the prospectus or, if available, summary prospectus
Tax Consequences	Must distribute at least 90% of taxable income (to qualify as a real estate investment company). Distributions may be classified as ordinary income, capital gains, and/or a return of capital. Please consult a tax advisor.	Must distribute at least 90% of taxable income (to qualify as a real estate investment company). Distributions may be classified as ordinary income, capital gains, and/or a return of capital. Please consult a tax advisor.

Risks to Non-Traded REITs

Investors should be aware of many risks, including:

Significant fees: Non-traded REITs have high up-front and ongoing fees, with average total fees between 10% and 18%. High fees reduce the amount of cash available to invest in properties, which could result in lower dividend yields and lower total returns, or potentially a liquidity event below the offering price if a REIT sponsor was unable to overcome the fee hurdle.

Dividends aren't guaranteed: The amount and frequency of dividends paid by non-traded REITs aren't guaranteed. Non-traded REIT boards set dividend policies each month or quarter, and can adjust dividends up or down or eliminate them altogether in severe downturns.

Real estate is tied to the economy: The health of the real estate markets is tied to the health of the economy and the health of the fixed income markets. Real estate may lose part or all of its value in an economic downturn, or in the event of a credit market freeze. Non-traded REITs are subject to this same real estate risk, even if offering prices remain stable at \$10 per share. Investors should be aware of the point in the market cycle that a REIT is acquiring properties. Those properties acquired when the market has appreciated may have greater principal and income risk than those acquired after the market has softened.

Offering price not reflective of net asset value (NAV): With the exception of Daily NAV REITs, the offering price of non-traded REITs may not reflect the per-share net asset value, especially if the REIT has issued one or more follow-on offerings over multiple years.

Financing risks: Non-traded REITs that use leverage to enhance returns are subject to interest rate risk and liquidity risk, which could limit their ability to make distributions or increase NAVs, and could force them to sell properties at a loss if funds are needed to pay off debt in a downturn. If a REIT is unable to sell properties to pay down debt, they could be forced into default or bankruptcy.

Illiquidity: While most non-traded REITs have liquidity provisions that allow investors to request liquidity after a certain period of time, these share redemption programs (SRPs) aren't guaranteed. SRPs can and have been eliminated by REIT boards to preserve value in a downturn. Investors should be prepared to have no liquidity for the entire investment period outlined in a REIT's offering documents.

Risks with listing on an exchange: One of the primary liquidity options for non-traded REITs is to list on a national exchange. This may be an attractive option from a total return standpoint, but there are risks of which to be aware. Most importantly, the shares are typically listed in a tiered manner, with a portion of shares immediately listed and the remaining shares listed in buckets over the next 12 to 18 months. This means that investors may own a publicly traded stock for a portion of time while the REIT is implementing its liquidity event, with no liquidity on the remaining shares. This exposes investors to the volatility of the publicly traded stock markets.

Where Non-Traded REITs Fit

A non-traded REIT offers an investor access to a portfolio of real estate investments that may provide core income and potential capital appreciation. While investors may be concerned that an uptick in inflation could be detrimental to their investment portfolio, REITs, like real estate, may help to combat the effects of inflation and rising rates.

Like non-traded REITs, non-traded business development companies (BDCs) may provide another potential alternative for income-seeking investors.

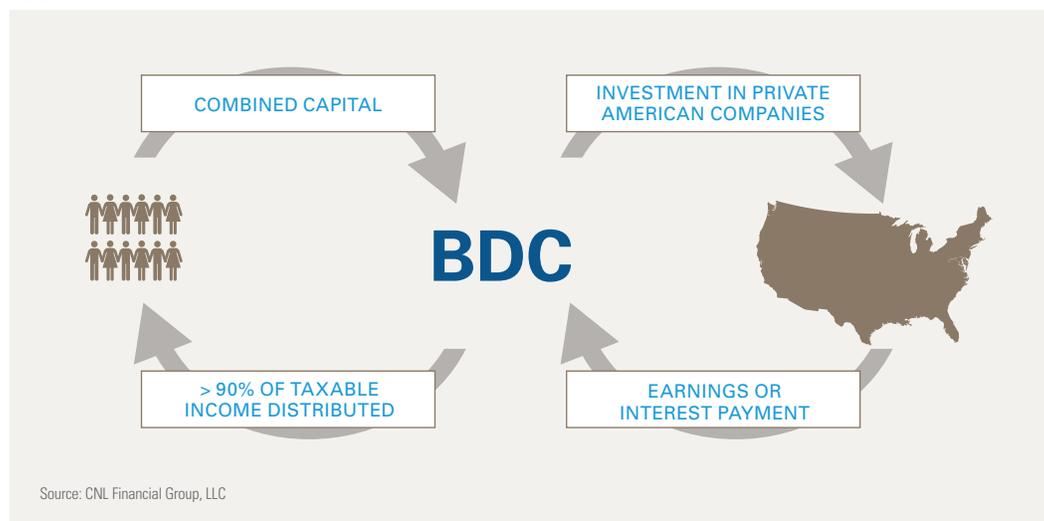
What are Business Development Companies?

Business development companies (BDCs)* have evolved over the past 30 years. BDCs were created by Congress in 1980 to stimulate investments in privately owned American companies. The 1940 Act defines a BDC as a closed-end company that's organized and has its principal place of business in the United States; is operated for the purpose of making investments in certain specified securities; and elects to operate as a BDC.

BDCs allow the investing public access to private investment strategies based on the following:

- BDCs are designed to facilitate the flow of capital to private companies.
- BDCs invest at least 70% of total assets into eligible portfolio companies, whose objective is to pass income along to its investors through distributions.
- BDCs distribute at least 90% of taxable income (to qualify as a regulated investment company).
- BDCs offer managerial assistance to the companies.
- BDCs can be either traded or non-traded.
- The shares of a traded BDC are listed on an exchange and are subject to NYSE/NASDAQ rules.
- The shares of a non-traded BDC aren't publicly traded on an exchange.
- Traded and non-traded BDCs must follow the same provisions of the 1940 Act.
- Traded and non-traded BDCs are considered public companies and make required filings with regulators.
- Non-traded BDCs are subject to an additional layer of regulation by each of the 50 "Blue Sky" regulators.

* BDCs are not suitable for all investors.



While all BDCs are public investment vehicles registered with the SEC, individual BDCs can choose to be either traded or non-traded.

Shares in a traded BDC are offered in a limited time frame, after which they can be bought or sold on a national exchange, usually the NYSE or NASDAQ. Traded BDCs with listed shares provide investors daily liquidity, but introduce a degree of share price volatility. Non-traded BDCs sell shares during their offering period (generally three to five years). During the life of a non-traded BDC, liquidity is limited. BDC management intends on offering liquidity through an exit event, which can come in the form of a public listing, merger, sale, or liquidation of holdings. While an exit or liquidity event is generally targeted 7 to 10 years after the launch of the BDC, market conditions could prolong or prevent such an occurrence.

Comparison of Traded and Non-Traded BDCs

While the legislation that made BDCs possible came out in 1980, the non-traded structure is relatively new to BDCs—the first non-traded BDC started in 2008. The following chart highlights the more important similarities and differences between the traded and non-traded structures.

	Traded BDCs	Non-Traded BDCs
Investment Objective	Income focus with additional goal of capital appreciation	Most tend to focus on income
Underlying Investments	Debt and equity of private U.S. companies	Debt and equity of private U.S. companies
Pricing	Fluctuates based on market sentiment	Fluctuates with NAV
Liquidity	Publicly traded on exchanges	Limited repurchase opportunities revocable by board of directors
Valuation	The board of directors determines portfolio valuations on a quarterly basis.	The board of directors determines portfolio valuations on a quarterly basis.
Capital Raise	Perpetual, as long as market price is greater than NAV	Limited offering period, generally three to five years; no limits based on market conditions
Volatility	Linked to daily trading	Linked to valuation adjustments
Time Horizon	Perpetual	Targeted liquidity event normally three years after offering period ends
Minimum Investment	One share	Generally \$5,000
Transaction Costs	Brokerage costs, which are the same as buying or selling any other publicly traded stock	Generally 11.5% for brokerage accounts, including up-front offering costs, commissions, and dealer manager fees
Ongoing Fees	Asset management fee and two incentive fees	Asset management fee and two incentive fees
Regulatory Requirements	Regulated as 1940 Act products, BDCs are subject to the requirements of the Securities Act of 1933, Securities Exchange Act of 1934, and Sarbanes-Oxley	Regulated as 1940 Act products, BDCs are subject to the requirements of the Securities Act of 1933, Securities Exchange Act of 1934, and Sarbanes-Oxley, similar to non-traded REITs, non-traded BDCs have further state regulatory requirements
Tax Features	Must distribute at least 90% of taxable income (to qualify as a regulated investment company); distributions, may be classified as ordinary income, capital gains, and/or a return of capital. Please consult a tax advisor.	Must distribute at least 90% of taxable income (to qualify as a regulated investment company). Distributions may be classified as ordinary income, capital gains and/or a return of capital. Please consult a tax advisor.
Risk Factors	Credit, leverage, valuations, pricing, capital structure, distribution coverage, and others outlined in the prospectus or, if available, summary prospectus	Credit, illiquidity, leverage, valuations, pricing, capital structure, distribution coverage, and others outlined in the prospectus or, if available, summary prospectus

The goal of the non-traded structure is captured during periods of market stress when non-traded BDCs have the ability to buy assets at discounted prices. Here's why: Both traded and non-traded BDCs are restricted from issuing new shares at a price below the fund's net asset value, or NAV. In periods of market stress, the share price of a traded BDC may fall below its NAV, restricting its ability to issue new shares when securities are trading at discounted prices. Since a non-traded BDC's share price fluctuates with its NAV (not to fall below) instead of market sentiment, shares can be issued throughout its offering periods. In other words, this structure allows for both the intake of capital and the opportunistic purchase of quality assets during all market environments.

Both traded and non-traded BDCs charge ongoing performance fees and asset management fees. These performance fees are typical across the industry and permitted by the SEC due to the intensive investing nature of a BDC. BDCs are also required to provide managerial assistance to portfolio companies. These ongoing fees consist of the following:

1. Asset management fee based on gross assets
2. Incentive fee based on income
3. Incentive fee based on capital gains

BDCs have the ability to invest throughout the capital structure, which provides them flexibility in building their portfolios. This may include private equity, which is an ownership stake in a private company, or private debt, such as senior secured loans or subordinated bonds. Capital structure flexibility allows BDCs to seek out the best risk-adjusted opportunities for its investors. In addition, because investments at various levels of the capital structure perform differently depending on the economic environment, BDCs have the potential to produce strong returns under a broad range of economic circumstances.



BDCs may invest in various industries, company lifecycles, company sizes, and capital structures. As a result, certain BDCs may be riskier if they invest in single industries and startup companies, or focus on the lower end of the capital structure.

Risks with Non-Traded BDCs

Illiquidity: While BDC firms offer quarterly liquidity to investors, it's at a reduced payout and is limited each quarter and calendar year. While this structure allows the firm more flexibility to manage assets in a difficult environment, it may not be ideal for most retail clients. Shares of non-traded BDCs will not be listed on a national securities exchange unless and/or until their offerings terminate, which means there's no public market for the securities during the offering period. Investors will have limited ability to sell their shares.

Underlying companies are non-investment grade: The average Moody's credit rating on the companies currently held in the portfolio is considered below investment grade.

Leverage: BDC structures generally limit the amount of leverage they can use: and the types of securities that may be levered. However, use of leverage on thinly traded, below investment grade companies still presents a risk, especially in a difficult credit environment. There's a risk that the firm would have to sell assets to pay down leverage, which could impact total returns or return of principal. Also, the required leverage ratio is applied to each security at purchase. This means that the leverage ratio could potentially increase if the share price declines substantially.

Share price volatility: Shares are generally valued monthly or semi-monthly; therefore, the NAV and public offering price will change. While this strategy provides more transparency than most non-traded REITs or other private equity programs, it's different than what investors are used to. The shares will experience more volatility, especially once leveraged.

Failure to qualify as a regulated investment company: If the BDC firm doesn't pay out 90% of taxable income, the BDC would not qualify as a regulated investment company, and all income would be taxed as ordinary income and capital gains.

Blind pool: BDC offerings are new companies with limited to no operating history. As a result, one won't have the opportunity to evaluate historical data or assess any investments prior to purchasing shares of common stock.

Distributions: Especially early on, BDCs may not be able to generate enough investment income to cover distribution levels. To avoid early return of capital or distributions funded with debt, BDC management may defer expenses. These expenses accrue over time. This expense reimbursement is not sustainable over a long period of time.

Valuations: While non-traded BDCs are required to periodically value their portfolios, this valuation often requires numerous assumptions. Further, this valuation doesn't represent a market value.

Exit event: While ultimate shareholder liquidity is planned through an exit event after a period of time, the success or failure of this event will depend on a variety of factors.

Where Non-Traded BDCs Fit

There are traditional sources of investments such as bonds, annuities, REITs, CDs, and floating rate funds that may provide income in an investor portfolio. Now, with the addition of non-traded BDCs, investors have an added level of diversification that may complement the existing income allocation in their portfolios. While certain non-traded BDCs can offer the potential for attractive income, the above risks should be heeded.

There are advantages to the non-traded structure. Since a non-traded BDC is continuously offered and has a stable share price, its structure allows non-traded BDCs to continue the intake of capital and the opportunistic purchase of assets during all market environments. Funds that buy quality assets at discounted prices are positioned to deliver high returns in the long term.

The LPL Financial Culture of Due Diligence

One way LPL looks to bring value to its advisors and their clients is by having a strong culture of due diligence that helps bring good products to distribution and mitigates risk. This due diligence starts with having a staff of strong subject-matter experts who can navigate the marketplace and identify good opportunities. Once a product has been identified, a thorough review is conducted by individuals of the LPL Research team who have lines of expertise in the relevant product area.

The Research team will also work with outside due diligence firms to give the firm an additional perspective on products. Not only will LPL review the product, but it will also review the asset class on a macro level and determine how this particular sector makes sense given the current market conditions and how this sector could behave in different market cycles.

As a final part of this process, LPL has a Product Review Committee, which is made up of members of several internal business units that approve all new products (mutual funds, annuities, UITs, structured notes, and alternative/direct investments) and monitor existing products on the platform. This part of the process helps the organization vet new product designs and thoughtfully calculates if any operational support might be necessary in addition to any supervision or regulatory requirement that may be needed.

Surveillance

LPL has various controls in place to mitigate risk to clients and to LPL. In the area of alternative investments, the firm conducts ongoing due diligence on products on a quarterly or semi-annual basis.

From an investor suitability perspective, the firm has alternative investments suitability guidelines in place that looks at the client's age, investment objective, and liquid net worth. These guidelines limit the maximum amount of alternative investments an investor may purchase as a percentage of their liquid net worth and even the amount of a particular product and product category. Every purchase of an alternative investment (non-traded REITs and non-traded BDCs) is reviewed for individual suitability and approved to make sure it fits our guidelines.

On a firm level, LPL also has concentration limits in place. These limits reduce the firm's overall exposure to a particular product.

LPL Product Strategy

LPL provides access to a very broad suite of alternative investment income products including non-traded REITs, non-traded BDCs, hedge funds, managed futures, private equity, oil and gas limited partnerships, and others. These products can be complementary for investors seeking alternative sources for income, and the breadth of the LPL platform also allows advisors to diversify across industries and sectors to maximize potential opportunities.

Alternative investments are quickly gaining traction in the marketplace as an attractive option for investors to potentially capitalize on dislocated markets, diversify their investments, reduce market volatility, and provide an alternative source for return. Non-traded REITs and BDCs play an important role in this area, particularly as it relates to those investors looking for potential alternative sources for income. LPL will continue to evolve its alternative investment platform to offer its advisors depth in particular product areas and breadth across product types.

Alternative investments may not be suitable for all investors and involve special risks such as leveraging the investment, potential adverse market forces, regulatory changes, and potentially illiquidity. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

This material has been prepared by LPL Financial.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

Not FDIC or NCUA/NCUSIF Insured	No Bank or Credit Union Guarantee	May Lose Value	Not Guaranteed by any Government Agency	Not a Bank/Credit Union Deposit
---------------------------------	-----------------------------------	----------------	---	---------------------------------

Member FINRA/SIPC

