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**Form ADV Part 2A Appendix 1
Wrap Fee Program Brochure**

Date of Brochure: March 29, 2021

This Wrap Fee Program Brochure provides information about the qualifications and business practices of AE Wealth Management, LLC (also referred to as we, us and AE Wealth Management throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact AE Wealth Management Compliance at 866-363-9595 or compliance@ae-wm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about AE Wealth Management is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for AE Wealth Management, LLC or our firm's CRD number 282580.

***Registration as an investment adviser does not imply a certain level of skill or training.**

Item 2 – Material Changes

This section discusses material changes that have been made to this Brochure since the last annual update. The last annual update was on March 30, 2020, and since that time, the following material changes have been made:

Item 4 – Services, Fees and Compensation

ERISA Investment Advisory & Consulting Services has been added as an additional service offering.

Item 5 – Account Requirement and Types of Clients

Client Assets Managed by AE Wealth Management has been updated to reflect our current regulatory assets under management, our current assets under administration, and our current total platform assets.

Item 9 – Additional Information

Registration of Management Persons with a Broker-Dealer has been revised to reflect the current registration status of an affiliate broker-dealer.

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Item 4 – Services, Fees and Compensation

AE Wealth Management is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Kansas. AE Wealth Management filed its initial application to become registered as an investment adviser on February 2016.

The principal owners of AE Wealth Management are DDC Holdings, LLC, the Karlun M. Callanan 2016 Irrevocable Trust A, and the Jennifer A. Foster 2016 Irrevocable Trust A. David Callanan and Cody Foster are the primary owners of DDC Holdings LLC. David Callanan is the trustee of the Karlun M. Callanan 2016 Irrevocable Trust A and Cody Foster is the trustee of the Jennifer A. Foster 2016 Irrevocable Trust A.

Introduction

The investment advisory services of AE Wealth Management described in this disclosure brochure are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of AE Wealth Management or by an investment adviser representative of an Independent Registered Investment Advisor that has entered into an agreement with AE Wealth Management to provide investment management services for clients (referred to as your investment adviser representative throughout this brochure). Your investment adviser representative typically is not an employee of AE Wealth Management; rather, your investment adviser representative typically is an independent contractor of AE Wealth Management. Your investment adviser representative is typically limited to providing the services and charging asset management fees in accordance with the descriptions detailed in this brochure. Your investment adviser representative is generally allowed to set investment management fees within a range prescribed by AE Wealth Management. As a result, the rates actually charged by two different investment adviser representatives of AE Wealth Management or an associated Independent Registered Investment Advisor may vary for similar services. The exact services you receive and the fees you will be charged will be specified in your advisory services agreement.

Direct Asset Management Services

Under our Direct Asset Management Services, you may choose to have your investment adviser representative directly manage your account(s) under our wrap fee program. Your investment adviser representative will have the discretion to buy or sell securities on your behalf without your prior permission for each specific transaction. Nevertheless, you will have the ability to impose restrictions on the management of your account, including the ability to instruct us not to purchase certain securities.

Your account will be managed based on your financial situation, investment objectives, and risk tolerance. Accordingly, we will need to obtain certain information from you to determine your financial situation, investment objectives, and risk tolerance. As part of this process, your investment adviser representative will assist you in completing a detailed risk questionnaire and review the information you provide. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

The financial situation, investment objectives, and risk tolerance for each client of AE Wealth Management is unique. As a result, we may give advice to another client or take actions for them or for our personal

accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer, we may not lawfully use or disclose this information. We will also not allow our clients to use this information.

Model Portfolio Solutions

AE Wealth Management offers model portfolio selection services, which allows AE Wealth Management and your investment adviser representative to exercise discretion to select model portfolios managed by the AEWM investment committee and/or third-party non-affiliated investment managers. An investment adviser representative will assist you in completing a client profile questionnaire and review the information you provide. We will then select the model portfolio(s) that aligns with your disclosed risk tolerance and investment objectives.

AEWM utilizes a third-party platform provider to effectuate model portfolios. The platform provider will be given discretionary authority to implement the selected model portfolio(s) and to trade your account based on information and/or signals provided by the manager(s) of the model portfolio(s). The platform provider will implement the model(s) for your account by acquiring the securities that are represented in the selected model portfolio(s). We will be available to answer questions that you may have regarding your account. We will have the ability to select the model portfolio(s) as well as the ability to reallocate funds from or to the model portfolio(s) and funds in other accounts over which you have granted us discretionary authority.

You should be aware that there may be other model portfolios not recommended by our firm, that are suitable for you and that may be less costly than arrangements recommended by our firm. No guarantees can be made that your financial goals or objectives will be achieved through the Model Portfolio Solutions program or by a recommended/selected model portfolio. Further, no guarantees of performance can ever be offered by our firm.

Fees and Compensation for Asset Management Services

Fees for services provided through our wrap fee program are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based on the average daily balance of the account for the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Under the average daily balance method, each day's balance for the month is summed then divided by the number of days in the month, to compute the average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due. The services under this program continue in effect until terminated by either party by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by AE Wealth Management to you. If services are terminated at any time other than

the last business day of the month, fees for the final billing period will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees for advisory or consulting services provided to ERISA plan sponsors are also charged based on a percentage of assets under management. Fees are calculated using the same methodology as above but may be billed monthly or quarterly in advance or in arrears. The default is to bill quarterly in arrears unless directed otherwise by the Plan sponsor in the separate written service agreement.

Fees for investment management services are negotiable by each of our investment adviser representatives based upon the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, the total amount of assets under management for the client, and the portfolio(s) chosen.

Based upon the above negotiability factors, each investment adviser representative is allowed to set the fee for investment advisory services up to a maximum amount of 2.5% annually. The fee charged to each client includes a portion attributable to AE Wealth Management, a portion attributable to the manager of the selected model portfolio (if applicable), and a portion attributable to the platform provider. Typically, the model manager's fee will range from 0.00% to 0.75% annually. A typical distribution for an annual fee of 1.75% would include an allocation of 1.35% to AE Wealth Management (including the asset based custodial fee if a wrap fee program is chosen), and allocations of .01% to .50% to the money managers, custodian, platform provider, etc. of the selected model portfolio. The preceding is for illustrative purposes only. The annual fee charged by AE Wealth Management will be specified in the client's agreement with AE Wealth Management. Additionally, the platform provider may impose a minimum platform fee of \$100.00 per account. If such a minimum platform fee is imposed on your account, we may pass the fee on to you.

AE Wealth Management believes that its annual fee is reasonable in relation to: (1) services provided, and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

Fees for investment management services will be deducted from your account by the qualified custodian(s). You must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to AE Wealth Management. You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Investment management services are offered both on a non-wrap fee basis and through a wrap fee program. If you choose to receive services on a non-wrap fee basis, the custodian will not charge separately for custody but will be compensated through commissions or other transaction-related fees for securities trades that are executed or that settle into a custodian account. To the extent you qualify for no-transaction pricing (i.e. \$0.00 commissions) offered by your custodian, please know that AE Wealth Management does not require your investment adviser representative to lower his or her fee if you stay in a wrap-fee program account and/or move from a wrap-fee program account to a non-wrap fee program account. AE Wealth Management however, does reduce the firm's portion of the management fee by 10 basis points when a client moves to a non-wrap fee program account. If you choose to receive services through our wrap fee

program, we will compensate the custodian for its custodial services with a portion of the fee that we charge you.

In addition to the fees described above, you may incur certain charges imposed by third parties other than AE Wealth Management in connection with investments made through your account including, but not limited to, ETF sales loads and management fees, sales charges and management fees for alternative investments, mutual fund sales loads, periodic mutual fund fees (e.g. 12b-1 trails) and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by AE Wealth Management are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Suitability and Investment Strategy

Our investment advice is based on your financial situation, investment objectives, and risk tolerance. Investment adviser representatives will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an asset management account. Accordingly, we will need to obtain certain information from you to determine your financial situation, investment objectives, and risk tolerance. As part of this process, we will assist you in completing a detailed risk questionnaire and review the information you provide. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

The financial situation, investment objectives, and risk tolerance for each client of AE Wealth Management is unique. As a result, we may give advice to another client or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to recommend to you (or select for you if discretionary authority is granted by you) a Model Manager and corresponding model portfolio that we are recommending/selecting for other clients or our personal accounts.

Brokerage Recommendations

In order to utilize our asset management services, AE Wealth Management will require that you establish or maintain a brokerage account with TD Ameritrade through their Institutional Platform or with Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively "Fidelity"). TD Ameritrade, Inc. and Fidelity are members of FINRA/SIPC/NFA. TD Ameritrade and Fidelity are independent and unaffiliated registered broker-dealers and are recommended by AE Wealth Management to maintain custody of clients' assets and to effect trades for their accounts.

The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by AE Wealth Management must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer.

TD Ameritrade, Inc.

TD Ameritrade, Inc. provides us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian.

If you choose to receive services on a non-wrap fee basis, TD Ameritrade will not charge separately for custody but will be compensated through commissions or other transaction-related fees for securities trades that are executed or that settle into a custodian account. To the extent you qualify for no-transaction pricing (i.e. \$0.00 commissions) offered by your custodian, please know that AE Wealth Management does not require your investment adviser representative to lower his or her fee if you stay in a wrap-fee program account and/or move from a wrap-fee program account to a non-wrap fee program account. AE Wealth Management however, does reduce the firm's portion of the management fee by 10 basis points when a client moves to a non-wrap fee program account. If you choose to receive services through our wrap fee program, we will compensate TD Ameritrade for its custodial services with a portion of the fee that we charge you.

Services that we may receive from TD Ameritrade include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

TD Ameritrade, Inc. also makes available to us (or offsets the cost of) other products and services that benefit our firm but may not directly benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements);
- Provide research, pricing information and other market data;
- Facilitate payment of the firm's fees from its clients' accounts; and
- Assist with back-office functions; record keeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. TD Ameritrade is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include:

- Consulting,
- Publications and conferences on practice management,
- Information technology,
- Business succession,
- Regulatory compliance, and

- Marketing.

The President of AE Wealth Management serves on the TD Ameritrade Institutional Advisor Panel (“Panel”). The Panel consists of a number of independent investment advisors who inform and provide feedback to TD Ameritrade Institutional (“TDAI”) on issues relevant to the independent advisor community. Advisor has been appointed to serve on the Panel for a three-year term by TDAI. TD Ameritrade, Inc. (“TD Ameritrade”) does not compensate advisor for serving on the Panel but TDAI pays or reimburses advisor for travel, lodging, and meal expenses advisor incurs in attending in person Panel meetings. The potential benefits received by advisor or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TDAI.

Fidelity Institutional Wealth Services

Fidelity provides us with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

If you choose to receive services on a non-wrap fee basis, Fidelity will not charge separately for custody but will be compensated through commissions or other transaction-related fees for securities trades that are executed or that settle into a custodian account. To the extent you qualify for no-transaction pricing (i.e. \$0.00 commissions) offered by your custodian, please know that AE Wealth Management does not require your investment adviser representative to lower his or her fee if you stay in a wrap-fee program account and/or move from a wrap-fee program account to a non-wrap fee program account. AE Wealth Management however, does reduce the firm’s portion of the management fee by 10 basis points when a client moves to a non-wrap fee program account. If you choose to receive services through our wrap fee program, we will compensate Fidelity for its custodial services with a portion of the fee that we charge you.

Fidelity also makes available other products and services that benefit us but may not directly benefit our clients’ accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements);
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- Provide research, pricing information and other market data;
- Facilitate payment of our fees from client accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all, or a substantial number, of our accounts, including accounts not maintained at Fidelity. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management,
- Information technology,
- Business succession,
- Regulatory compliance,
- Marketing, and

- Assistance with client paperwork and other items related to transitions to AE Wealth Management.

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to us by independent or related third parties. As a fiduciary, we endeavor to act in your best interest. Our recommendation that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This may create a potential conflict of interest.

Training Assistance Received from Service Providers

AE Wealth Management receives payments from certain service providers to partially offset the costs of providing training events related to investment products, investment management, and compliance topics for investment adviser representatives associated with AE Wealth Management. Such service providers include (but are not limited to) custodians, such as TD Ameritrade and Fidelity, as well as mutual fund, exchange traded fund, and unit investment trust providers, such as Wisdom Tree and First Trust. Investment products offered by such mutual fund, exchange traded fund, and unit investment trust providers may be directly recommended or included in model portfolios recommended to clients of AE Wealth Management.

Block Trading

Where possible and when advantageous to clients, trades will be blocked by us or a third-party providing trading services to us. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Our trading services provider will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day.

Additional Compensation, Economic and Non-Economic Benefits

Our investment adviser representatives can sell securities in their separate capacities as registered representatives of a broker-dealer. In addition, they may sell insurance products in their capacities as independent insurance agents for sales commissions. Please refer to Item 9 to read more about our ability to offer strictly commission-based services through broker-dealers and our insurance activities.

When managing accounts through programs outlined in this disclosure brochure, some of the advice offered by our investment adviser representatives may involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12(b)-1 fees. However, our investment adviser representatives generally do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in our asset management program.

You are never obligated to the broker-dealer(s) affiliated with our investment adviser representatives and you are never obligated to purchase investment products through our investment advisor representatives.

You have the option to purchase investment products through other brokers or agents that are not affiliated with AE Wealth Management.

Item 5 – Account Requirements and Types of Clients

Minimum Account Size

AE Wealth Management requires a minimum of \$10,000 in order to open an account. Exceptions may be granted to this minimum if approved by both your investment adviser representative and AE Wealth Management for a client's immediate family members or in anticipation of additional deposits in the near future.

Types of Accounts

AE Wealth Management generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Retirement and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations and business entities

You are required to execute a written agreement with AE Wealth Management specifying the particular advisory services in order to establish a client arrangement with AE Wealth Management.

Client Assets Managed by AE Wealth Management

As of December 31, 2020, we have regulatory assets under management in the amount of \$12,637,103,954, which we manage on a discretionary basis. We currently do not manage any client assets on a non-discretionary basis. Additionally, we have \$1,971,474,351 in assets under administration. While we provide administrative services regarding these assets under administration, we are not currently providing continuous investment management services to these assets. Accordingly, we have total platform assets of \$14,608,578,305.

Item 6 – Portfolio Manager Selection and Evaluation

Model Portfolio Solutions

AE Wealth Management, or our platform provider, reviews each Model Manager before selecting them to be included in our program. We also conduct periodic reviews to ensure that the manager is still suitable for our programs. We call these processes "due diligence." In order to assist us in conducting our due diligence and selection of both Model Managers and specific Model Portfolios, we have contracted with an outside firm to act as our outsourced Chief Investment Officer. Our Chief Investment Officer also conducts oversight of the outsourced due diligence review. Each Model Manager is evaluated on the basis of information provided by the Model Manager including descriptions of its investment process, asset

allocation strategies employed, sample portfolios to review securities selections, and the Model Manager's Form ADV Disclosure Brochure (if applicable).

We often request, but do not require, that Model Managers adhere to GIPS/CFA Institute standards, and every attempt is made to obtain performance information that is calculated on a uniform and consistent basis. Certain Model Managers may provide information that does not entirely conform to these requirements. In most cases, performance data approved for client viewing will have been calculated based on a uniform and consistent standard. In the rare instance where this is not possible, the affected performance data should clearly indicate by specific disclosure that it was not calculated based on the uniform standard.

Each Model Manager recommended by AE Wealth Management is screened and selected using a number of criteria, including but not limited to:

- Manager or management team tenure and experience;
- Performance within peer group;
- Portfolio turnover;
- Expenses and costs of Model Manager;
- Meetings with manager of Model Manager; and
- Participation in educational forums and conference calls offered by the Model Manager.

Factors that determine the change of a Model Manager may include the following:

- Performance;
- Change of ownership;
- Strategic or tactical change away from a particular sector or asset class; and
- Costs.

We rely on information obtained from the following sources when researching each Model Manager:

- Model Manager's Form ADV and accompanying documents;
- Model Manager's website and other publicly available information; and
- SEC website.

By choosing to utilize a Model Manager in our wrap-fee program, you are granting the platform provider with the discretionary authority (without consulting with the client first) to select the specific investments for the Account based on information, models, and/or signals provided by the selected Model Manager(s). Through its discretionary authority, AE Wealth Management will have the ability to hire and fire the Model Manager and to reallocate the amount of funds within the Account that are in a particular Model Manager's model.

Direct Asset Management Services

If you choose to have your investment adviser representative directly manage your account(s) under our wrap fee program, your investment adviser representative will be acting as the portfolio manager. A conflict of interest may arise if the investment adviser representative charges a higher fee for portfolio management services than an appropriate Model Manager would. AE Wealth Management requires all investment advisory fees to be reasonable and monitors fees charged by investment adviser representatives to ensure that such fees are indeed reasonable. When approving investment adviser representatives to act as

portfolio managers, AE Wealth Management uses the same criteria and processes used to select Model Managers.

Participation in Wrap Fee Program v. Traditional Option of Advisory Fee + Per Transaction Charge

AE Wealth Management offers asset management services both on a non-wrap fee basis and through a wrap fee program. In our non-wrap fee program, clients elect to pay expenses under a “traditional” payment option meaning that advisory services are provided for an investment advisory fee to AE Wealth Management but transaction services are billed separately by the qualified custodian on a per-transaction basis. In our wrap fee program, clients elect the bundled “wrap fee” payment option meaning that the investment advisory services (including asset management) and transaction cost (including ticket charges by the qualified custodian) are provided for in one fee. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether the traditional payment option (i.e., a separate investment advisory fee plus additional per transaction charges) or wrap fee (i.e., investment advisory fee bundled with transaction costs as a single pre-determined fee) is appropriate for your needs, you should bear in mind that wrap fee arrangements, when compared with traditional investment advisory fee plus commissions/ticket charges, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the wrap fee arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a wrap fee arrangement versus a tradition option of a separate investment advisory fee plus a per transaction commission/ticket charge arrangement can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates, and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the investment management agreement.

In addition to determining whether the traditional payment option (i.e., a separate investment advisory fee plus additional per transaction charges) or wrap fee option (i.e., investment advisory fee bundled with transaction costs as a single pre-determined fee) under AE Wealth Management’s asset management services is appropriate for your needs, you also should be aware that certain investment adviser representatives of AE Wealth Management, and Independent Registered Investment Advisers that offer our asset management services, are also registered representatives of a broker-dealer and could assist you in investing your portfolio in a non-advisory arrangement in which the investment adviser representative in the separate capacity as a registered representative of a broker-dealer works with you through a non-investment advisory, brokerage account through his or her broker-dealer (i.e., away from AE Wealth Management) which only charges commissions. You should bear in mind that an investment advisory account subject to our asset management services, when compared with a non-investment advisory, commission-only based arrangement, may result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, such investment advisory, fee-based arrangement may result in a higher annual cost than a non-investment advisory, commission-only arrangement.

You should discuss the advantages and disadvantages of traditional v. wrap fee options under asset management services and an investment advisory, fee arrangement versus a broker-dealer, commission

only arrangement with your investment adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our asset management services.

General Description of Other Advisory Services

The following are descriptions of the other primary advisory services of AE Wealth Management. For additional details, please refer to our Form ADV Part 2A disclosure brochure. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and AE Wealth Management before we can provide you the services described below.

Financial Planning & Consulting Services

AE Wealth Management offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolio review, and asset allocation. However, our tax planning services are not a substitute for working with a certified public accountant. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a written financial plan.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer “as-needed” consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an “as-needed” consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through AE Wealth Management or retain AE Wealth Management to actively monitor and manage your investments, you must execute a separate written agreement with AE Wealth Management for our asset management services.

ERISA Investment Advisory & Consulting Services

AE Wealth Management offers investment adviser and consulting services to plan sponsors of ERISA plans. When providing services to a plan sponsor, the Plan sponsor is the client. The services provided by AEWM are provided only to the Plan sponsor or to the Plan Sponsor with respect to the Plan sponsor's responsibilities to the Plan and not to any Plan participant(s). AEWM is not an “investment manager” or “Administrator” of the retirement plan as defined in Section 3(38) of ERISA. The plan sponsor is the Fiduciary and retains responsibility for all Plan decisions. Services provided to plan sponsors will be outlined in a separate written agreement between AEWM and the Plan sponsor. Services offered include: assisting the plan sponsor with investment policy statement creation, providing ongoing investment recommendations including model portfolio recommendations, providing ongoing investment monitoring, assisting with selection of investment products or managed accounts offered by third parties in connection with the definition of a “Qualified Default Investment Alternative” (“QDIA”) under ERISA recommendation

of non-discretionary model portfolios. The services offered also include assisting the Plan sponsor with plan participant enrollment and Plan education. If the services selected by the Plan Sponsor include enrollment and investment education to Plan participants, the services do not include any individualized investment advice to Plan participants with respect to their Plan assets. AEWB does not act as a fiduciary under ERISA or the Internal Revenue Code when providing such services. Fees are negotiated by the investment adviser representative and the Plan sponsor, not to exceed 2.5%. Fees will be calculated by AEWB based on the method and frequency as directed by the Plan sponsor. Fees are calculated and billed quarterly in arrears unless otherwise specified in the separate written agreement between AEWB and the Plan Sponsor.

Newsletters

AE Wealth Management occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual. Newsletters are provided to clients and prospective clients free of charge.

Seminars

AE Wealth Management may occasionally provide seminars in areas such as financial planning, retirement planning, estate planning, college planning and charitable planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants. Generally, no fees are charged for seminars. In the event a fee is charged, the fee will not exceed the cost of seminar materials and all fees and payment provisions will be fully disclosed to you prior to the seminar being presented.

Workshops

AE Wealth Management offers educational, informative, and motivational workshops to the public as well as to associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of the participants. Generally, no fees are charged for workshops. In the event a fee is charged, the fee will not exceed the cost of seminar materials and all fees and payment provisions will be fully disclosed to you prior to the workshop being presented.

Tailor Advisory Services to Individual Needs of Clients

AE Wealth Management's asset management services are always provided based on your individual needs. This means, for example, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Performance-Based Fees and Side-By-Side Management

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. AE Wealth Management does not charge or accept performance-based fees.

Methods of Analysis

AE Wealth Management uses the following methods of analysis in formulating investment advice:

Charting - Charting is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – The Cyclical Method analyzes investments which are sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – The Fundamental Method evaluates a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – The Technical Method evaluates securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's

intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

To conduct analysis, AE Wealth Management gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases. There are risks involved with any method of analysis that may be used.

Investment Strategies

AE Wealth Management may employ the following investment strategies when managing client assets and/or providing investment advice:

Value investing. A value investing strategy selects stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Tactical asset allocation. A tactical asset allocation strategy allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the

higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. A strategic asset allocation strategy calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Risk of Loss

Investing in securities (including stocks, mutual funds, and bonds, etc.) always involves risk of loss. Depending on the different types of investments utilized, there may be varying degrees of risk. Accordingly, you should be prepared to bear investment loss including the loss of your original principal. Further, past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- **Options Risk** – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **ETF and Mutual Fund Risk** – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Voting Client Securities

AE Wealth Management does not vote proxies on behalf of clients. Therefore, it is your responsibility to vote all proxies for securities held in your Account. You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact your investment adviser representative.

Item 7 – Client Information Provided to Portfolio Managers

Our associated investment adviser representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services. You are responsible for promptly contacting your investment adviser representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. We do not share your information with our Model Managers.

Item 8 - Client Contact with Portfolio Managers

If a client has any questions for the outside Model Managers, these will be directed to AE Wealth Management who will make inquiries with the Model Manager. It is the policy of AE Wealth Management to provide for open communications between the investment adviser representatives and clients. You are encouraged to contact your investment adviser representative whenever you have questions about the management of your account(s).

Item 9 - Additional Information

Disciplinary Information

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

Registration of Management Persons with a Broker-Dealer

David Callanan, our Chief Executive Officer, is a registered representative of Madison Avenue Securities, a broker-dealer affiliated with AE Wealth Management. Additionally, AE Financial Services, LLC, an entity under common control with AE Wealth Management, is a broker-dealer. David Callanan, Christopher Radford, our President and Chief Compliance Officer are registered representatives of AE Financial Services.

Other Financial Industry Activities and Affiliations

AE Wealth Management is **not** and does **not** have a related person that is a municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an insurance company, a pension consultant, a real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

AE Wealth Management only provides investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our affiliates and investment adviser representatives may sell other products or provide services outside of their role with AE Wealth Management.

Independent Investment Advisers

Certain persons offering the asset management services of AE Wealth Management own or are affiliated with independent investment advisory firms (individually "Independent Investment Adviser" or collectively "Independent Investment Advisers"). These Independent Investment Advisers may utilize the financial planning and asset management services of AE Wealth Management. Clients that engage such an Independent Investment Adviser will receive a copy of the Independent Investment Adviser's firm disclosure document and will execute a client agreement specifying the services provided and fees charged by the Independent Investment Adviser and the role of AE Wealth Management with respect to such services.

As an incentive for Independent Investment Advisers to use our programs and services, we provide transition bonuses and/or forgivable loans and similar economic incentives. Forgivable loans and/or transition bonuses are provided in order to assist Independent Investment Advisers with transitioning the investment adviser representatives of Independent Investment Advisers from their former service provider to AE Wealth Management.

Terms and conditions of each loan are negotiated with each Independent Investment Adviser and remain in effect as long as the Independent Investment Advisers's relationship with AE Wealth Management continues and to the extent the Independent Investment Adviser retains most of its client assets in the AE Wealth Management program.

The receipt of a loan or bonus from AE Wealth Management presents a conflict of interest in that Independent Investment Advisers has a financial incentive to maintain its relationship with AE Wealth Management and continue recommending AE Wealth Management to clients. To the extent Independent Investment Advisers recommends you use AE Wealth Management for its sub-advisory services, Independent Investment Advisers will only do so if Independent Investment Advisers believes that it is in

your best interest based on the services, quality of programs, and benefits provided through by AE Wealth Management.

Registered Representative of a Broker-Dealer

Some of the firm's investment adviser representatives are also registered representatives of a securities broker-dealer. If your investment adviser representative is registered with a securities broker-dealer, you can work with your investment adviser representative in his or her separate capacity as a registered representative of a securities broker-dealer.

As a result of this relationship, the securities broker-dealer may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of AE Wealth Management, even if a client does not establish any account through the securities broker-dealer. If you would like a copy of the privacy policy of the broker-dealer, please contact your investment adviser representative.

When acting in his or her separate capacity as a registered representative, your investment adviser representative will sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative will suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered is biased due to the receipt of commissions and other standard brokerage compensation.

You are under no obligation to use the services of the firm's investment adviser representatives in this separate capacity or to use such broker-dealer and can select any broker/dealer you wish to implement securities transactions. If you select the firm's investment adviser representatives to implement securities transactions in the separate capacity as registered representatives, he or she must use his or her broker-dealer. Prior to effecting any such transactions, you are required to enter into a new account agreement with the broker-dealer. The commissions charged by the broker-dealer may be higher than those charged by other broker-dealers. In addition, the registered representatives may also receive ongoing periodic mutual fund fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. However, the firm's investment adviser representatives generally do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in the asset management program or through the firm's platform provider.

Broker-Dealer

The holding company which owns AE Wealth Management also holds a controlling interest in Madison Avenue Securities, LLC, a registered broker-dealer and investment adviser. Certain investment adviser representatives of AE Wealth Management may also be registered representatives of Madison Avenue Securities. As a result of this relationship, our owner will likely benefit if securities that we recommend during financial planning and consulting engagements are purchased through Madison Avenue Securities. We do not utilize Madison Avenue Securities, LLC as a broker-dealer for our asset management services. With respect to our financial planning and consulting services, our policy prohibits us from recommending

that you purchase a security through Madison Avenue Securities unless the purchase is in your best interests.

Insurance Agent/Insurance Marketing Organizations

AE Wealth Management is an affiliate of Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC, which are under common control and ownership. Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC are insurance agencies that market/wholesale life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such insurance/annuity products. The investment adviser representatives of AE Wealth Management in a separate capacity as an insurance agent will utilize the marketing and wholesaling services of Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC.

As a client of AE Wealth Management, your investment adviser representative will also serve as an insurance agent. This means your investment adviser representative, acting as an insurance agent, will recommend you place your assets in insurance products and annuities when he or she believes it is in your best interest to do so. These insurance products and annuities pay commissions to your investment adviser representative in his or her separate capacity as an insurance agent. This presents a conflict of interest to your investment adviser representative as he or she will be more inclined to recommend you place your assets in either insurance products or an advisory account depending on which would pay them more.

When acting in his or her separate capacity as an insurance agent, the investment adviser representative will sell, for commissions, life insurance, annuities, and other insurance products to you which may be marketed/wholesaled by Advisors Excel, LLC or Asset Marketing Systems Insurance Services, LLC. As such, your investment adviser representative in his or her separate capacity as an insurance agent can suggest that you implement recommendations which include purchasing life insurance, annuities, or other insurance products which are marketed and wholesaled by Advisors Excel, LLC or Asset Marketing Systems Insurance Services, LLC. This receipt of commissions creates an incentive for the investment adviser representative to recommend those products in his or her separate capacity as an insurance agent. Likewise, the marketing-override received by Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC also create an incentive for AE Wealth Management to encourage the recommendation of insurance and annuity products marketed and wholesaled by Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC.

AE Wealth Management is also an affiliate of Innovation Design Group, LLC, which are under common control. Innovation Design Group, LLC is an insurance agency that provides services to insurance companies concerning the product design and distribution of annuities. Innovation Design Group, LLC has participated in the design of a number of annuities issued by insurance companies that are either distributed exclusively by its affiliate Advisors Excel, LLC or distributed by a small group of insurance marketing organizations of which Advisors Excel, LLC is a member.

As a result of the above, the advice rendered to you could be biased. In the event your investment adviser representative will receive a commission in relation to a recommended product, that fact will be disclosed to you. Commissions are built into the product pricing and are not directly paid by you in the form of a reduction of premium amount. Commissions are set by the applicable insurance carrier.

Investment adviser representatives are eligible to receive incentives and other compensation based on achieving insurance carrier and third-party (which may include affiliates of AE Wealth Management) criteria related to insurance transactions; including your insurance product purchase. These incentives are determined by criteria set by the insurance carrier or third party. The incentives likely include, but are not limited to: gifts, meals, or entertainment of reasonable value, participation in bonus programs, reimbursement for training, marketing, educational efforts, advertising, or travel expenses to conferences or events sponsored by third parties or insurance carriers.

You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative in his or her capacity as an insurance agent or utilize insurance or annuity products wholesaled by Advisors Excel, LLC or Asset Marketing Systems Insurance Services, LLC.

AE Wealth Management has taken steps to manage these conflicts of interest by requiring that each investment adviser representative (i) only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of AE Wealth Management and its investment adviser representative or insurance agents, (ii) not recommend insurance and/or annuities which result in your investment adviser representative acting as an insurance agent and/or an affiliated insurance agency receiving unreasonable compensation related to the recommendation and (iii) disclose in writing to a client any material conflicts of interest related to insurance or annuity recommendations.

Interest in Client Transactions and Code of Ethics

AE Wealth Management has established a Code of Ethics that will apply to all of its associated persons. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. AE Wealth Management has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. AE Wealth Management has the responsibility to make sure that the interests of all clients are placed ahead of AE Wealth Management's own investment interests. AE Wealth management will disclose material facts and potential conflicts of interest to clients. AE Wealth Management seeks to conduct business in an honest, ethical and fair manner and will take reasonable steps to avoid circumstances that might negatively affect our duty of loyalty to clients. This section is intended to provide clients with a summary of AE Wealth Management's Code of Ethics. Clients may receive a complete copy of the Code of Ethics upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

AE Wealth Management or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of AE Wealth Management that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. AE Wealth Management and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

To mitigate potential conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family

members (collectively, associated persons).

AE Wealth Management or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of AE Wealth Management that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. AE Wealth Management and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of AE Wealth Management.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Account Reviews

Accounts subject to our asset management services are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by investment adviser representative of record, with reviews performed in accordance with your investment goals and objectives.

Account Statements and Reports

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Client Referrals

AE Wealth Management pays certain persons cash fees for client referrals. If a client is referred to us by a referring party, the referring party will provide the client with a copy of our Brochure. The client also will receive a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Brochure. Once an investment management account is established, the referring party will receive ongoing compensation based on a percentage of the assets under management associated with the account.

Our investment adviser representatives, acting in their separate capacities as insurance agents, receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products. While our investment adviser representatives put the interest of the clients first as a part of the firm's fiduciary duty, clients should be aware that the receipt of commission and additional compensation itself creates a conflict of interest. Due to the non-fiduciary capacity the investment adviser representatives are acting in, as insurance agents, this can impact the insurance products they select when making recommendations.

Advisors Excel, LLC and Asset Marketing Systems Insurance Services, LLC provides AE Wealth Management investment adviser representatives bonus compensation based on the amount of annuity sales during a specific period of time which is a conflict of interest. They also provide indirect compensation by providing marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and AE Wealth Management investment adviser representatives' efficiency, back office and operations support to assist in the processing of insurance (through Advisors Excel, LLC or Asset Marketing Systems Insurance Services, LLC) services for clients, business succession planning, business conferences and incentive trips for the firm. Although some of these services can benefit a client, other services obtained by AE Wealth Management investment adviser representatives from Advisors Excel, LLC or Asset Marketing Systems Insurance Services, LLC such as marketing assistance, business development and incentive trips will not benefit an existing client and is a conflict of interest.

AE Wealth Management investment adviser representatives can receive bonus payments from an insurance company for selling a targeted number of annuities during a specified period of time which creates a conflict of interest.

At times, AE Wealth Management investment adviser representatives receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients. AE Wealth Management attempts to control for this conflict by always basing investment decisions on the individual needs of clients.

Financial Information

AE Wealth Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, AE Wealth Management has not been the subject of a bankruptcy petition at any time.