

## Concorde Asset Management, LLC – Fiduciary Acknowledgement

Concorde Asset Management, LLC ("CAM") is an investment adviser registered under the Investment Advisers Act of 1940. Our firm provides or seeks to provide investment advisory services to various types of clients including, but not limited to, employee benefit plans and individual retirement accounts (IRAs), collectively referred to as Retirement Investors.

Pursuant to the Employee Retirement Income Security Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), CAM (hereinafter "Financial Institution" or "FI") and individuals providing investment advice on our behalf (hereinafter "Fiduciary Advisers" or "FAs") will be deemed to be investment advice fiduciaries (hereinafter "ERISA Fiduciaries") when we render individualized investment advice to a plan, plan fiduciary, plan participant or beneficiary, IRA, or IRA owner, Health Savings Accounts ("HSAs"), Archer Medical Savings Accounts and Coverdell Education Savings Accounts (together, "Retirement Accounts") for a fee or other compensation, whether direct or indirect. While we are already fiduciaries for all of your advisory accounts under the Investment Advisers Act of 1940, we are required to acknowledge this new ERISA Fiduciary status.

**Acknowledgement of Fiduciary Status:** Effective January 31, 2022, pursuant to the recommendations we provide to your Retirement Account(s) and your acceptance thereof, CAM acknowledges that together with our FAs we are acting as Fiduciaries under ERISA or the Code, or both with respect to the recommended transaction(s) covered by this document. As ERISA Fiduciaries to our clients, CAM and our FAs have an affirmative duty of undivided loyalty to always serve our clients' best interests and act in utmost good faith, placing our clients' interests first and foremost without regard to the financial interests of our employees, affiliates, and any related entities or other parties. Further, as Fiduciaries we are required to act prudently on our clients' behalf, exercising care, skill and diligence when providing our services. As ERISA Fiduciaries, CAM and our FAs are committed to these Impartial Conduct Standards: (i) providing prudent advice that is, at the time of the recommendation, in the Best Interest of our client, (ii) receiving no more than reasonable compensation, and (iii) statements made regarding the recommended transaction, fees and compensation, Material Conflicts of Interest and other matters relevant to the Retirement Investor's investment decisions, will not be materially misleading at the time they are made.

**Material Conflicts of Interest:** Identifying CAM's Material Conflicts of Interest has been and remains fundamental to our development of reasonable and prudent policies and procedures which are designed to prevent such conflicts from causing violations of the Impartial Conduct Standards, among other considerations. A Material Conflict of Interest exists when a Financial Institution or Fiduciary Adviser has a financial interest that a reasonable person would conclude could affect the exercise of its best judgment as an ERISA Fiduciary in rendering advice to a Retirement Investor. FIs are therefore required to mitigate the impact of any Material Conflicts of Interest, and to provide a description of such conflicts to an existing or prospective Retirement Investor. Furthermore, FIs must designate a person or persons responsible for addressing such Material Conflicts of Interest and monitoring FAs' adherence to the Impartial Conduct Standards. Accordingly, CAM has designated our chief compliance officer, Kimberlee Levy, as the firm's ERISA Conflict Officer.

CAM has identified the following Material Conflicts of Interest:

**Compensation Arrangements:** We have the following potential compensation-related Material Conflicts of Interest:

***Variable Asset-Based Fees:*** CAM's fees are calculated based on the nature of the services and/or securities being recommended and the composition of the Retirement Investor's portfolio. For example, fee rates for fixed income securities are lower than those for equity securities and fee rates for larger accounts are lower than smaller accounts.

***Negotiability of Fees:*** CAM retains the authority to negotiate our fees based on a variety of factors, such as the size of a client's account, the agreed upon level of services to be provided, grandfathering of pre-existing fee arrangements, and preferential fee arrangements not generally available to clients (e.g., fees reduced or waived for related persons, family and friends), among others.

***Fiduciary Adviser Compensation Arrangements:*** One or more of CAM FAs are separately licensed as registered representatives of an affiliated broker-dealer and/or insurance agent. When engaged in this separate capacity, typically he or she may receive separate compensation for the sale of securities products.

As the receipt of such compensation creates a Material Conflict of Interest, CAM's fee policy is structured to eliminate the conflict by offsetting such third-party compensation. There may be a waiting period until fees may be charged on your retirement accounts if separate compensation is received or this compensation is taken into consideration when negotiating the applicable fee. In some instances, third-party compensation is rebated to the plan, participant or beneficiary account, or IRA. Consequently, our firm and the FA retain only the compensation set forth in our fee schedule, which is not in excess of reasonable compensation.

### ***Receipt of Third-Party Payments***

Concorde Asset Management has arrangements with affiliated entities pursuant to which our affiliates, firm and/or FAs receive additional compensation for the sale, promotion or placement of such entities' products, or services or both. Consequently, these arrangements create an incentive to prefer these offerings over similar products and services when formulating recommendations for Retirement Investors.

Consistent with Concorde Asset Management's fiduciary duty to our clients and mandatory adherence to the Impartial Conduct Standard, Concorde Asset Management has not limited the consideration of the selection of products or services to those which generate additional compensation. While we have no restrictions or limitations on the selection of products or services which may be offered to Retirement

Investors, to mitigate the inherent risks resulting from these arrangements, our procedures include rigorous documentation, oversight and monitoring of the recommendations being made to verify they are consistent with the client's best interests.

**Recommendations** (e.g., recommendations regarding rollovers, switching accounts from brokerage to advisory fee-based accounts or vice versa, among others)

***Rollover Recommendations.*** A Retirement Investor or prospective Retirement Investor leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

(i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the Retirement Investor's age, result in adverse tax consequences). If the FA recommends that a client or potential client roll over their retirement plan assets into an account to be managed by Concorde Asset Management, such recommendation creates a Material Conflict of Interest insofar as the firm will earn an advisory fee on the rolled over assets. Concorde Asset Management has adopted reasonable and prudent procedures to facilitate and document the consideration of the Retirement Investor's investment alternatives which requires an assessment of the existing plan and available options. As applicable, such assessment will evaluate the fees and expenses of each option, including whether the employer pays for some or all of the plan's administrative expenses, and the different levels of services and investments available under each option, among other considerations.

***Level Fee Fiduciary Recommendation.*** A recommendation that a Retirement Investor (i) roll money out of a plan into a fee-based account that will generate ongoing fees for the FA that would not otherwise be received, even if those fees do not vary with the assets recommended or invested, or (ii) switch from a commission-based account to an account that charges a fixed percentage of assets under management on an ongoing basis creates a Material Conflict of Interest. To mitigate such conflicts, Concorde Asset Management's policies and procedures require an assessment of whether a commission-based or fee-based account is more appropriate for the particular client (e.g., a review of trading activity, requirements for ongoing monitoring and/or investment advice, among other considerations). Furthermore, in the event the FA recommends that the Retirement Investor rollover from another IRA or switch from a commission-based account to a level fee arrangement, the specific fee must be disclosed to the Retirement Investor in advance. Concorde Asset Management maintains required documentation reflecting the reason(s) such arrangement is considered to be in the Best Interest of the Retirement Investor, and specifically details the services that will be provided for the stated fee.

***Supervision:*** Pursuant to industry studies, financial services regulators have noted that a firm's failure to provide employee training or providing inadequate training to employees regarding the firm's Impartial Conduct Standards and the policies and procedures adopted to implement and ensure compliance with these standards creates an increased potential for violations.

Concorde Asset Management's policies and procedures and incentive practices, when viewed as a whole, are reasonably and prudently designed to avoid a misalignment of the interests of our FAs with the interests of the Retirement Investors they serve as ERISA Fiduciaries. Our firm's supervisory procedures include careful screening of potential hires including verification of industry qualification and employment history, and an assessment of past misconduct and disciplinary history, if any. Firm procedures include initial and ongoing training of employees based on the nature of their responsibilities, mandating periodic reporting and/or certification of their adherence to the firm's policies and procedures, and conducting periodic monitoring and testing of our policies to prevent or detect any violations of them. Individuals found to have violated procedures will be subject to disciplinary action by our firm based on the nature of the infraction.

***Recruitment Bonuses Paid to Fiduciary Advisers:*** From time to time, Concorde Asset Management and or its affiliates may provide a recruitment assistance to a prospective Fiduciary Adviser (FA) as a further incentive to join our firm. FA's are not incentivized by the movement of accounts or assets to our firm, nor is this assistance based on achievement of particular asset targets. The assistance paid is a fixed amount contingent upon the FA's continued service 'in good standing' at our firm. Due to the nature of such an arrangement, this practice does not represent a Material Conflict of Interest. Furthermore, as disclosed above, Concorde Asset Management has adopted policies and procedures governing our hiring and ongoing supervision of employees, particularly with respect to individuals responsible for providing investment advice to our clients. Such monitoring seeks to identify, review and remediate improper sales practices or account transfers; any such findings of advisor wrongdoing may result in discipline and/or nullification of awards.