

Pershing Subcontractor Compensation Disclosure

Compensation Paid to Pershing by American Century Brokerage (“ACB”):

Pershing earns the following compensation from ACB in connection with Pershing’s provision of execution and clearing services to ACB:

<u>Execution Services:</u>	
Listed Equities:	
Automated Market Orders ≤ 2099 Shares	\$2.00 per order
All Other Market Orders > 2099 Shares	\$0.01 per share
Listed Corporate Bonds	\$1.00 per bond
Options	\$1.25-\$2.40 per contract
<u>Clearance Services Per Transaction:</u>	
Listed and OTC Equities	\$10.00
Options	\$14.00
Bonds (Corporate, Municipal, Treasury)	\$25.00
Government Agency Bonds	\$35.00
Money Market Instruments (BA, CD, CP)	\$35.00
Precious Metals	\$20.00
Unit Investment Trusts – Redemptions	\$25.00
Load Mutual Funds – Redemptions and NAV Purchase	\$15.00-\$35.00
No Load Mutual Funds	\$8.00-\$12.00
Dollar Cost Averaging and Systematic	\$2.00-\$4.00

Compensation Paid to Pershing by Third Parties:

Pershing earns additional compensation from certain third parties in connection with providing brokerage clearing services to ACB. Certain fees and compensation described below may be considered “indirect compensation” earned by Pershing as ACB’s subcontractor for purposes of the section 408(b)(2) regulation:

- (1) **Mutual Fund Fees.** Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. The reimbursements are remitted to Pershing for its work on behalf of the funds. This work may include, but is not limited to, subaccounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing and tax statement preparation and mailing. These reimbursements are based either on (a) a flat fee ranging from \$0 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Mutual funds that are available in Pershing’s FundVest no-transaction fee mutual fund program may pay Pershing servicing fees in exchange for being offered in Pershing’s FundVest Program. These payments are based on a percentage of assets and can range from 7 to 40 basis points. Your financial organization may share in these fees. For additional details about Pershing’s mutual fund no-transaction-fee program, or a

listing of funds that pay Pershing networking or omnibus fees, please refer to https://www.pershing.com/_global-assets/pdf/disclosures/per-mutual-fund-money-fund-and-bank-deposit-program-disclosures.pdf. The mutual funds on this website are listed in order from highest- to lowest-paying mutual funds based on gross payments made to Pershing.

- (2) Money Fund and FDIC Insured Bank Product Fees. Pershing has entered into agreements with money market fund companies and FDIC-insured bank deposit products service providers. Pershing receives fees from money fund companies and service providers for making available money market funds and FDIC-insured bank deposit programs. A portion of Pershing's fees is applied against costs associated with providing services on behalf of the fund companies and service providers, which may include maintaining cash sweep systems, sub-accounting services, dividend and interest calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services. These fees are paid in accordance with an asset-based formula that can range from 0 to 100 basis points annually. Your financial organization may share in these fees. For a listing of money funds and FDIC-insured bank products that pay Pershing these fees, please refer to www.pershing.com/money_fund.htm.
- (3) Sponsorship Fees. Mutual fund companies, annuity companies, exchange-traded fund (ETF) providers, money market providers and other providers offering investment, business and technology products and services offer marketing support in the form of sponsorship fee payments to Pershing (or third parties at Pershing's direction) in connection with educational conferences, events, seminars, and workshops that Pershing offers to its broker-dealer or investment professional customers. These payments are made through arrangements with investment providers and may be for the expenses of educational materials or other conference-related expenses. Generally, the smallest level of sponsorship is \$5,000, and the level of sponsorship can increase depending on the opportunity. For a more detailed description of this Sponsorship compensation, refer to https://www.pershing.com/_global-assets/pdf/disclosures/per-sponsorship-fees.pdf.
- (4) Payments for Order Flow. Pershing sends certain equity orders to exchanges, electronic communication networks or broker-dealers during normal business hours and during extended trading sessions. Certain of these venues provide payments to Pershing or charge access fees to Pershing depending upon the characteristics of the order and any subsequent execution. The details of these payments and fees are available upon written request. Pershing receives payments for directing listed options order flow to certain option exchanges. Compensation is generally in the form of a per option contract cash payment. Notwithstanding the above regarding payment for order flow, Pershing selects certain market centers to provide execution of over-the-counter and exchange-listed securities

transactions which agree to accept orders, transmitted electronically up to a specified size, and to execute them at or better than the national best bid or offer (NBBO). On certain larger orders, or if the designated market centers do not make a market in the subject security, Pershing directly contacts market centers to obtain an execution. The designated market centers to which orders are automatically routed are selected based on the consistent high quality of their executions in one or more market segments and their ability to provide opportunities for executions at prices superior to the NBBO. Pershing also regularly reviews reports for quality of execution purposes.

For additional information, refer to Pershing's disclosure at <https://www.orderroutingdisclosure.com/>.

- (5) Float. Pershing may obtain a financial benefit attributable to cash balances of ERISA plan accounts that are held by Pershing in connection with cash awaiting investment or cash pending distribution. For a more detailed description of this, refer to https://www.pershing.com/_global-assets/pdf/disclosures/per-float.pdf.