Unit Investment Trust (UIT) Investing:
Important Disclosures for D.A. Davidson & Co. Clients

D.A. Davidson & Co. member SIPC

The following is important information regarding unit investment trusts ("UITs"), including information about the relationships that D.A. Davidson & Co. ("D.A. Davidson") and our financial professionals (together, "we," "us" or "our") have with the UITs we make available to D.A. Davidson clients and the compensation we receive for selling those UITs, as well as the conflicts of interest those relationships and payments create.
If you have any questions about any of the topics discussed below, or UIT investing generally, we encourage you to reach out to your D.A. Davidson financial professional.

Overview of UITs

UITs offer a "buy-and-hold" philosophy on investing. Individual UITs invest in a portfolio of underlying securities (for example, stocks and bonds) for a predetermined period of time or "maturity," typically from 13 months to five (5) years. Investors purchase units (similar to shares) of a UIT portfolio, which represent an undivided ownership interest in the underlying assets contained in the portfolio. These portfolios enable investors to own a basket of securities with one single purchase, rather than trying to select individual stocks or bonds that meet their objectives. In this way, UITs are similar to other types of investment funds, such as mutual funds. However, a key difference is that the underlying securities held in a UIT are fixed at the time the UIT is created, and do not change during the UIT's term, except where a security held in a UIT portfolio ceases to exist during the UIT's term. Unlike other types of funds, a UIT does not have a Board of Directors or officers, or an investment adviser that manages the UIT's underlying assets during its life.

Various UIT portfolios are designed to fill a variety of investment needs and risk tolerance levels, and may be appropriate for a variety of reasons such as long-term growth, tax control, liquidity, and diversification. Different UITs invest in different types and classes of underlying securities.

If your D.A. Davidson financial professional recommends a UIT for your account, you will be provided with a prospectus for the UIT, and he or she will discuss the fees and costs, underlying investments and primary risks with you.

UITs – Our Relationships, Compensation and Conflicts

UITs in Brokerage Accounts. D.A. Davidson receives commissions from UIT sponsors when UITs are purchased by our brokerage clients. A percentage of those commissions are paid by D.A. Davidson to your financial professional, according to his or her "production" and our commission grid.

You will pay an up-front charge when you buy units in a UIT, in addition to the cost of your units in the UIT. A portion of this charge is kept by the UIT's sponsor, and a portion is paid to our Firm a commission. These charges are subtracted from the Net Asset Value (NAV) of UITs when we sell them to clients, meaning they are reflected as reductions to the value of the client's portfolio within the UIT. These charges do not differ based on the issuer of the UIT, but rather based on the maturity of the UIT that you purchase. A portion of each charge is kept by the UIT's sponsor, and a portion is paid to D.A. Davidson as a commission. These charges consist of two parts:

- First, a "deferred sales charge" is deducted up-front when the UIT is purchased (to allow more money to remain invested initially in the UIT, the deductions to pay this charge are deferred and taken out of the UIT in installments at some point later in its life).

- Second, a "creation & development fee" or "C&D Fee" is also deducted up-front when the UIT is purchased.

These charges, and the portions of the charges that are paid to D.A. Davidson for selling UITs, are as follows. Please note that these rates are current as of the effective date set forth on the last page of this disclosure, and it is possible that they could change at any time:

UIT Maturity	Charges Deducted from NAV	Portion of Charges Paid to D.A. Davidson
13 Months or 15 Months	1.85% Total (1.35% Deferred Sales Charge + 0.50% C&D Fee)	1.25%
2 Years	2.75% Total (2.25% Deferred Sales Charge + 0.50% C&D Fee)	2.00%
5 Years	3.95% Total (3.45% Deferred Sales Charge + 0.50% C&D Fee)	3.00%

In addition to these charges, D.A. Davidson, like certain other broker-dealer firms, receives additional compensation from certain UIT sponsors. This additional compensation, which is a type of revenue sharing called a “volume concession,” is based upon the total volume of the sponsor’s UITs that are sold by D.A. Davidson during the preceding 12-month period (subject to minimum total sales volume requirements over the same 12-month period). These volume concessions, if earned by D.A. Davidson, are paid to us monthly. As of the effective date set forth on the last page of this disclosure, we have relationships that provide volume concessions with First Trust Portfolios, L.P. (First Trust), Guggenheim Funds Distributors, LLC (Guggenheim), Advisors Asset Management (AAM) Inc. and Invesco Capital Markets, Inc. (Invesco).

These relationships and payments create conflicts of interest for us. In particular:

- **Volume and Size of UIT Trades**. Because we receive commissions from UIT sponsors each time a UIT is purchased, we have a financial incentive to recommend that you purchase UITs frequently. And, because we receive the entire commission up-front, we would have a financial incentive to recommend that you sell one UIT and buy another, even before the first UIT terminates. Likewise, the amount of commission we will receive for a particular UIT purchase will increase the larger the trade is. This means that we have a financial incentive to recommend larger UIT investments over smaller ones.

- **Differential Compensation - UITs vs. Other Investments**. The compensation we receive for selling UITs will be more or less than we would receive for selling different investments, such as mutual funds or other products. This creates an incentive for us to recommend investments that pay us more compensation over those that pay us less compensation, or no compensation.

- **Differential Compensation - Different UITs.** While D.A. Davidson generally offers a broad range of investment products to our clients, for UITs we only have distribution relationships with a small number of UIT sponsors. This means we only receive commission for selling those specific sponsors’ UITs. This creates an incentive for us to recommend UITs for which we will receive commission (where we have distribution relationships) over those for which we will not receive commissions. Also, we only receive volume concessions for UIT sales from one sponsor, First Trust, which accounts for the majority of UITs we offer to clients. This creates an incentive for us to offer and recommend UITs sponsored by First Trust over UITs sponsored by other organizations. Finally, in deciding which UITs we will make available to our clients in the first place, we have an incentive to select those UITs (and UIT sponsors) that will pay us more compensation over those that would pay us less.

- **Differential Compensation - Different UIT Maturities.** The total compensation we receive in connection with selling any particular UIT depends on the maturity of the UIT. This creates an incentive for us to recommend UITs with longer maturities for which we will receive greater commissions and volume concessions.

To help manage these conflicts related to volume and size of UIT Trades, D.A. Davidson has policies and procedures in place that prohibit our financial professionals from recommending a volume of trading (as to frequency, amount or both) that is excessive under the circumstances. Recommending excessive trading volume in order to increase brokerage commissions is an abusive practice sometimes referred to as “churning.”

We also have systems in place to monitor transactions that might not be consistent with a client’s best interests – for example, where UITs are sold before maturity.

To help manage the conflict related to differential compensation for UITs vs. other investments, Our Firm provides resources and training to encourage our financial professionals to consider comparable products available on our platform and the appropriateness of each product based on the client’s investment profile.

To help manage the conflict related to differential compensation among different UITs, D.A. Davidson has structured our pricing so that the commissions we receive for selling UITs are level across all UITs we offer within each of the particular maturities described above. Also, the commission level for each maturity is intended to correlate generally to the maturity, meaning that we receive lower commissions for shorter-term UITs, and higher commissions for longer-term UITs. This is intended to mitigate any incentive we might have to recommend UITs having certain maturities over others.

Likewise, our financial professionals do not receive any compensation that is based directly on the volume concessions from First Trust. While D.A. Davidson retains this additional compensation as a firm, we do not share it with our financial professionals. This is intended to reduce any financial incentive that our financial professionals have to recommend UITs of those sponsors over UITs of other sponsors. However, the volume concessions do provide D.A. Davidson with a “firm-level” incentive to sell certain sponsors’ UITs over others, which you should understand.

In short, there are conflicts between our interests and those of our brokerage clients relating to UIT investments (and the other investments we make available to our brokerage clients). The policies summarized above are intended to help mitigate those conflicts, and in particular to help reduce the financial incentives that our financial professionals have to recommend specific UITs over others.

UITs in Advisory Accounts. Neither D.A. Davidson nor our financial professionals receive any commissions, as described above, on UITs purchased through our wrap fee programs or other investment advisory accounts (accounts in which the client pays an asset-based fee, as opposed to commissions and other amounts that apply to each transaction). The value of UITs in an advisory account, like the value of other securities held in the account, is included in determining the asset-based fee. Likewise, UITs purchased through our wrap fee programs or other investment advisory accounts are not included in determining our volume concession from certain UIT sponsors.

Other Fees and Expenses. UITs also deduct other fees and expenses from trust assets, such as organizational expenses and operating expenses. These fees and expenses include portfolio supervision, recordkeeping, administrative fees, and trustee fees. However, UITs typically do not deduct a separate management fee because the UIT's investment portfolio is not actively managed.

Gratuities and Other Compensation from UIT Sponsors. Certain sponsors of UITs contribute to or reimburse D.A. Davidson for the cost of educational and marketing events we hold for our clients and financial professionals. At these events, UIT investing, and the specific UITs offered by the sponsors, are usually discussed. Sponsors of UITs also pay for travel, meals, entertainment and attendance at conferences, training events and due diligence trips for our financial professionals. This creates an incentive for us to recommend UITs of sponsors who provide higher amounts of reimbursements and other payments over those who pay lower amounts, or none.

These types of expense reimbursements and other payments are subject to an internal approval process at D.A. Davidson, and they are not paid directly to our financial professionals. And, unlike the commissions and volume concessions described above, these payments are not tied to specific UIT sales. However, we receive more compensation and reimbursements of these types from some UIT sponsors than others. In particular, we receive more of these payments from First Trust, the sponsor of most of the UITs we offer, than any other UIT sponsor. Generally, the more of a particular sponsor's UITs we sell, the greater amounts of such payments we are likely to receive.

If you have questions about the compensation D.A. Davidson or your D.A. Davidson financial professional receives from the sale of UITs, please contact your D.A. Davidson financial professional.

UITs – Primary Risks

UITs, like virtually all investments, carry certain risks. The risks associated with a particular UIT will depend on a number of factors, many of which relate to the underlying investments held by the UIT. Because there are many differences between UITs and their investments, the potential categories of primary risks are extremely broad. **Therefore, this discussion is not comprehensive, and we strongly encourage you to discuss the risks associated with UIT investments with your D.A. Davidson financial professional.**

However, below are some examples of the most material risks associated with (i) UIT investing generally, and (ii) with investments in certain UITs (depending on the underlying assets they invest in):

Risks of UIT Investments Generally (All UITs):

- **Management Risk (or Securities Selection Risk)** is the risk that the portfolio manager's investment strategy, approach or specific securities selections may fail to produce the intended result, and the overall investment may under-perform its benchmark or the broader market indices.

- **Market Risk** is the risk that the value of investments may decline, at times sharply and unpredictably, because of economic changes or other events that affect individual companies or large portions of the market.

- **Passive Investment Risk** is the risk that "buy-and-hold" investments will lose money because there is no active portfolio management, meaning that no action will be taken in response to, or in anticipation of, market changes or other events that are likely to affect the investment portfolio.

Risks of UITs Invested in Equities (Stocks):

- **Equity Risk** is the risk associated with investing in equity securities (stocks) issued by companies, which tend to be more volatile than investments in fixed-income securities.

Risks of UITs Investing in Smaller Company Stocks:

- **Small Cap Stock Risk** is the risk that stocks of smaller companies are often subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or might be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies, which could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

Risks of UITs Investing In Fixed-Income Securities (Bonds):

- **Credit Risk** is the risk that issuer or guarantor of a fixed-income security will default on its obligations, which would adversely affect the value of the portfolio. Changes in the credit rating of fixed-income securities could have a similar effect.

- **Debt Extension Risk** is the risk that the issuer of a fixed-income security will exercise its right to pay principal later than expected. Under these circumstances, the value of the security will decrease and the portfolio will suffer from the inability to invest in higher yielding securities.

- **High-Yield Risk** is the risk that non-investment grade fixed-income securities, sometimes known as "junk bonds," will be subject to greater credit risk, price volatility and risk of loss than investment grade securities, which can adversely impact a portfolio's return and asset valuation. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.

- **Interest Rate Risk** is the risk that the value of fixed-income investments will decline because of rising interest rates. The magnitude of this decline will often be greater for longer-term fixed-income securities than shorter-term fixed-income securities.

- **Prepayment Risk (or Call Risk)** is the risk that the issuer of fixed-income investments will exercise its right to prepay its obligations prior to maturity, which can result in a decreased rate of return and a decline in value of those investments.

- **Real Interest Rate Risk (or Inflation Risk)** is the risk that the real rate of return paid on fixed-income investments will be less than the nominal return due to the effect of inflation.

- **Redeemable Bond Risk** is the risk that the issuer of fixed-income investments will redeem the bond upon the occurrence of certain enumerated events prior to maturity, which can result in a decreased rate of return and a decline in value of those investments.

Risks of Sector/Industry-Focused UITs:

- **Sector Risk** is the risk that investments in a particular sector or industry will lose substantial value or default due to a downturn in that sector/industry, even if the investments are in well-managed companies.

Risks of Commodity UITs:

- **Commodity Risk** is the risk that investing in commodities or commodity-related securities may subject the portfolio to greater volatility other investments. In addition to overall market movements, these investments can be adversely impacted by commodity index volatility, changes in interest rates, and factors affecting a particular industry or commodity, such as Acts of God, embargoes, acts of war or terrorism, or political and regulatory developments.

Risks of UITs Invested In Non-U.S. and Less Developed Markets:

- **Currency Risk** is the risk that foreign currencies will fluctuate in value relative to the U.S. dollar, adversely affecting the value of investments in foreign currencies, or other investments denominated in foreign currencies. Due to this risk, an investor can lose money if the local currency of a foreign market depreciates against the U.S. dollar, even if the market value of the investments held in that market appreciates.

- **Emerging Markets Risk** is the risk that markets of emerging market countries are less developed and less liquid, subject to greater price volatility and generally subject to increased economic, political, regulatory and other uncertainties than more developed markets.

- **Foreign Investment Risk** is the risk that investing in foreign (non-U.S.) securities may cause more rapid and extreme changes in value than investments in securities of U.S. companies, due to less liquid markets, and/or adverse economic, political, diplomatic, financial, and regulatory factors. Foreign governments also may impose limits on investment and repatriation and impose taxes. Any of these events can trigger investment losses.

- **Geographic Investment Risk** is the risk that investments concentrated in a certain country or other geographical region will be adversely affected by events occurring in that region, including natural disasters, adverse governmental action, acts of God, war, insurrection or political upheaval, or instability as to markets or other economic and political structures.

Information on a specific UIT and its policies regarding the above topics can be found in the prospectus available from the UIT's sponsor, which we strongly encourage you to read.

If you have any further questions, please do not hesitate to ask your D.A. Davidson financial professional. More information about investing in UITs, which we also encourage you to read, is also available from the U.S. Securities and Exchange Commission (SEC) at investor.gov.

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