Purpose of this Notice

This document is being provided for informational purposes and in order to fulfill regulatory requirements, including customer account disclosures required by FINRA. This notification does not require any action on your part.

LIS Services and Disclosures

Consulting Services: Lockton Investment Securities, LLC (“LIS”) provides operational and non-discretionary investment consultation services to employer sponsored qualified and non-qualified retirement plans, as well as executive bonus plans (“Client” or “Plan”). LIS also provides insurance consulting services, including business succession planning. LIS does not provide services with respect to the following types of assets: employer securities, real estate (but excluding real estate funds and publicly traded REITs), participant loans, non-publicly traded securities or assets; (other than Collective Investment Funds or non-publicly traded securities or assets recommended by LIS), other illiquid investments, or brokerage window programs.

LIS’s investment services include the development and implementation of an Investment Policy Statement (“IPS”). If the Client has an existing IPS, LIS will review the provisions of the IPS and make recommendations for changes where appropriate. LIS will assist the Client in the design of its investment architecture including: portfolio strategies, recommend providers to service and manage the Plan assets, and recommend the investment funds (i.e., mutual funds) that are selected for each program. LIS conducts a lengthy due diligence process on the providers as well as the mutual funds that they recommend to Clients. On an ongoing basis, LIS will monitor and compare the performance of the investment fund choices against the objectives and conditions set forth in the IPS. LIS will compare the performance of investment managers with criteria outlined in the IPS as well as with established benchmarks and peers and recommend changes when appropriate.

While LIS provides recommendations regarding providers, mutual funds, and carriers to offer to Plan participants, LIS’s Clients are responsible for making the ultimate decision to hire and/or terminate the providers, carriers, or replace existing mutual funds on their investment platforms. LIS may assist with the implementation of any recommended changes as agreed to with the Client.

Other Activities and Affiliations: LIS is affiliated with Lockton Companies, LLC. LIS’s related persons may be licensed as insurance agents on behalf of Lockton Companies, LLC and may offer or sell a variety of insurance products (including property and casualty insurance, as well as health and wealth insurance services) to Clients. In addition, related persons of Lockton Companies, LLC may also sell insurance products or provide insurance consulting services to the providers (i.e. money managers, investment companies or other providers) or their affiliated entities that may also be recommended to Clients of LIS. Compensation in the form of insurance commissions may be derived from the sale of insurance products.

LIS is also affiliated with Lockton Investment Advisors, LLC (“LIA”), an investment advisory firm registered with the Securities and Exchange Commission (“SEC”). Representatives of LIA may provide investment advice for a fee with respect to mutual funds, variable insurance products and other securities.

Participation or Interest in Client Transactions: LIS, its principals, officers, directors, members and employees (“Associates”) are permitted to purchase securities for their personal accounts that may also be recommended to Clients. To avoid any potential conflicts of interest involving personal trades, LIS has adopted a formal code of ethics and insider trading policies and procedures. LIS requires, among other things that Associates:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, Clients, prospective Clients, employers, Associates, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of Clients, and the interests of LIS above one’s own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;

1 The Financial Industry Regulatory Authority (“FINRA”) is the largest non-governmental regulatory organization for securities brokers and dealers doing business in the United States. FINRA was created through the consolidation of NASD and the member regulation, enforcement and arbitration operations of the New York Stock Exchange. The consolidation, which was announced on November 28, 2006 and approved by the Securities and Exchange Commission on July 26, 2007, became effective July 30, 2007.
• Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
• Promote the integrity of, and uphold the rules governing, capital markets;
• Maintain and improve one professional competence and strive to maintain and improve the competence of other investment professionals;
• Comply with applicable provisions of the federal securities laws.

LIS also requires Associates to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide LIS with a detailed summary of certain holdings (both initially upon commencement of employment or membership and annually thereafter) over which such associates have a direct or indirect beneficial interest.

Additional Compensation: LIS’s consulting services include providing Clients with recommendations of other unaffiliated plan providers and insurance carriers. As part of the due diligence process, Clients may meet with representatives of the recommended plan providers and carriers. LIS’s Associates generally attend these meetings to provide guidance and/or recommendations to the Client. LIS’s Associates may also attend conferences, educational meetings, or other industry events sponsored by unaffiliated plan providers and carriers that may be recommended to Clients. In addition, LIS’s Associates may participate in steering and/or advisory committees of the plan providers and carriers. The plan providers and carriers will often pay the travel expenses for LIS’s representatives to attend these meetings and/or events which may include airfare, lodging, meals, and entertainment. LIS’s Associates do not receive any other type of compensation related to these meetings and/or events.

LIS sponsors conferences in which unaffiliated plan providers, insurance carriers, broker-dealers, investment advisers and/or other unaffiliated third parties (“Vendors”) are invited to present information about their services or proprietary products to LIS’s Associates. LIS may also recommend these Vendors to its Clients. Vendors pay a sponsorship fee to defer a portion of the costs associated with organizing and conducting LIS’s conferences. A portion of these costs may be used to provide entertainment functions to the attendees of the conferences, including LIS’s Associates.

One or more current LIS clients act as an investment company or may be affiliated with an investment company. The investment funds of these investment companies may be recommended by LIS to be included on Plans for other LIS clients. Therefore LIS is compensated by firms that may be selected to act as a fund manager for other Clients. In order to avoid conflicts related to these relationships, LIS has implemented an investment due diligence and review process that is applied consistently.

LIS may receive compensation up to 5 basis points of Plan assets from plan providers. Compensation is paid annually and calculated based on the market value of assets in the Plan on the last trading day of the calendar year. Such compensation is borne solely by the plan provider and is not calculated for Plans referred within the first calendar year held with such plan provider. The compensation is not charged to the Plan and upon receipt is credited to the LIS Client fee.

LIS may receive compensation for the referral of an employer and a plan participant to a third-party broker-dealer. The amount of any such referral compensation is dependent on the products or services purchased by the employer or participant outside of the Plan, including but not limited to participant elections to invest outside of the Plan and/or distributions/rollovers with the third-party broker-dealer, all of which such products or services are unrelated to and outside of the scope of the Plan and LIS’s services provided to Client or the Plan. The amount of any referral compensation paid is disclosed by such third-party broker dealer to the employer or participants.

In addition, LIS’s Associates may receive consulting services, marketing support, training sessions and market research services that are provided by and paid for by unaffiliated plan providers and carriers that may be recommended to Clients.

Privacy Policy
Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, below is a description of LIS’s policies regarding disclosure of nonpublic personal information that Clients provide to LIS or that LIS collects from other sources.

Information we collect: LIS may collect nonpublic personal information about Clients from forms or other documentation that may include name, address, phone number, social security number, beneficiary information, and date of birth.

Information we may disclose to affiliated third parties: LIS may disclose all of the personal information collected from Clients, as described above, to affiliated third parties as necessary in order to provide certain services.

Non-affiliated third parties to whom disclosures may be made: LIS may disclose nonpublic personal information about Plan participants to financial service providers, such as Plan sponsors and their affiliates and representatives, as needed to provide services to the account. LIS does not disclose non-public personal information to any other unaffiliated third parties, except as permitted or required by law.
Our practices regarding information confidentiality and security: LIS restricts access to nonpublic personal information about Clients to those employees who need to know that information in order to provide services to the account. LIS maintains physical, electronic, and procedural safeguards that comply with federal regulations to guard such nonpublic personal information.

Our policy regarding dispute resolution: Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Personal information of former customers: LIS’s personal information privacy policy also applies to former Clients.

Changes in privacy policy: LIS may modify the privacy policy at any time. LIS will notify you of such changes at least annually.

FINRA Public Disclosure Program

The FINRA Public Disclosure Program provides you with a reference tool regarding LIS and your representative. Information may be obtained via the Public Disclosure Program Hotline Number: (800) 289-9999 or FINRA website: www.finra.org. In addition, the FINRA website contains an investor brochure that includes information describing the Public Disclosure Program.

SIPC Notification

FINRA Rule 2266 requires LIS to disclose SIPC contact information. LIS is a member of the Securities Investor Protection Corporation (“SIPC”). SIPC plays an important role in the overall system of investor protection in the United States by, in certain specified situations, restoring funds to investors with assets held with bankrupt and otherwise financially troubled brokerage firms. When a brokerage firm is closed due to bankruptcy or other financial difficulties and customer assets are missing, SIPC steps in as quickly as possible and, within certain limits, works to return customers’ cash, stock, and other securities. You may obtain more information about SIPC, including a brochure entitled How SIPC Protects You, via the SIPC website: www.sipc.org.

Business Continuity Plan Disclosure

LIS maintains a Business Continuity Plan (“BCP”) which is mailed annually to Clients and available upon request. LIS reviews the BCP annually for completeness and accuracy and will make changes to the BCP as necessary.

Contact Information

In connection with SEC Rule 17a-3, below is contact information where all inquiries and concerns, including complaints, should be directed.

Karen Prange
Chief Compliance Officer
444 West 47th Street
Kansas City, Missouri 64112
(816) 960-9000

New York Regulation 194 Disclosure

The following disclosure is provided pursuant to New York State Insurance Department Regulation 194 (11 NYCRR 30.1, et seq.):

LIS is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to: confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; offer advice concerning the substantive benefits of particular insurance contracts; sell insurance; and obtain insurance for purchasers. The role of an insurance producer in any particular transaction typically involves one or more of these activities.

LIS may be eligible to receive compensation from the selling insurer or other third party based in whole or in part on the insurance contract(s) sold to you. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) that you select. In some cases, other factors may affect the total compensation LIS receives, such as the volume of business LIS provides to an insurer and/or the profitability of the insurance contracts LIS provides to an insurer.

You may request additional information about the compensation expected to be received by LIS based in whole or in part on the sale of insurance to you and/or any alternative quotes presented to you by LIS.