

American Trust Investment Services, Inc.

Regulation Best Interest Disclosure

Regulation Best Interest (“RBI”) §240.15l-1, requires American Trust Investment Services, Inc. (“ATIS”) to disclose in written form, information about the brokerage services we offer clients. Below we discuss services as well as conflicts of interest that arise when providing service, particularly when receiving compensation for our work. We encourage you to review this disclosure carefully, along with applicable account agreement(s) and other documentation you receive from us, including our Customer Relationships Summary (“Form CRS”).

ATIS is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker dealer. We are also affiliated through common ownership with State Registered Investment Adviser, American Trust Investment Services Advisory (“ATISA”) and SEC Registered Investment Advisor, Chicago Capital Management Advisory (“CCMA”) and Insurance Agency, American Trust Insurance Services, Inc (ATIS) are companies under common control with ATIS. Our brokerage services are the primary focus of this disclosure. For more information on the investment advisory services of ATISA & CCMA and how they differ from brokerage services, review Form CRS for ATISA, CCMA and ATIS, available at www.brokercheck.finra.org. These documents contain important information about the types of services both firms offer, along with specific information related to compensation, conflicts of interest, disciplinary actions, and other important information. Useful information about ATIS is also available at this site.

The purpose of this brochure is to provide you with detailed information about our brokerage services and expand upon the important disclosures in the ATIS Customer Relationship Summary or “Form CRS.” A copy of the ATIS Form CRS, is available at <https://www.amtruinvest.com>

In this brochure, we explain the following:

- A. ATIS and your financial professional’s role and responsibilities as a broker-dealer and an associated person of a broker-dealer.
- B. The type and scope of services available to you, including certain limitations on the specific securities or investment strategies that we can recommend to you.
- C. The fees and costs that apply to investments you make with ATIS; and
- D. The conflicts of interest that are associated with the securities and account recommendations that create an incentive for your financial professional to place their interest ahead of the retail customer’s interest.

A. ATIS and Your Financial Professional Act as a Broker-Dealer and an Associated Person of a Broker-Dealer

ATIS is a full-service broker-dealer that provides brokerage services to you and other institutional and retail customers. Brokerage services include the purchase, sale, holding and exchange of securities. In general, our brokerage services are non-discretionary, which means that you make the decision regarding whether or not to buy, sell or otherwise transact in your account. As a broker-dealer, we will provide execution, clearing and custody services to affect your instructions. In connection with providing these brokerage services to you, ATIS and its financial professionals may make recommendations to you that we believe to be in your best interest. These recommendations may include whether to open a certain type of brokerage account with ATIS and whether to buy, sell, exchange, or hold a security or a series of securities (i.e., an “investment strategy”) in your brokerage account. ATIS and Your Financial Professional Act as a Broker-Dealer and an Associated Person of a Broker-Dealer.

When we make a recommendation to you, we must have a reasonable basis to believe that a recommendation is in your best interest. This means that we are required to place your interests ahead of our own when recommending securities, investment strategies and account types to you. Among other things, we do this by evaluating the conflicts of interest that impact our relationship and eliminating them to the extent we can. Because certain conflicts

of interest cannot be eliminated, we have procedures in place to mitigate and disclose them to you.

Certain ATIS financial professionals maintain “limited registration” licenses that allow them only to recommend securities for which they are licensed for. Such as sell mutual funds and variable annuities (Series 6 license), or investment banking products (Series 79). If you desire to purchase other investments, please alert ATIS or your financial professional and we will make arrangements for you to do so. In addition, for certain products like REITs or alternative investments, ATIS may recommend only a select group of approved products in these categories. This limits the recommendations our professionals may make to you since they can only recommend approved products. Some of our professionals are licensed with ATIS and not with our sister registered investment advisors, ATISA and CCMA. Such ATIS licensed professionals do not offer advisory services. Finally, some of our professionals are licensed as insurance agents through ATIS. Ask your financial professional if you have an interest in such services.

B. Our Brokerage Services

A brokerage account allows you to buy, sell and hold securities, including options, in an account. We provide trade execution and arrange to hold your investments through our clearing partners, Axos Clearing, LLC (AXOS) and RBC Clearing & Custody a division of RBC Capital Markets, LLC (“RBC”) (collectively “Our Clearing Partners). We offer only non-discretionary accounts. This means you must approve and direct us to make every trade before it happens. We earn a sales commission for these transactions, computed as a percentage of the value of the trades you make. This is referred to as “transaction-based” compensation. It differs from “fee based,” or “flat/hourly fees” compensation sometimes charged by investment advisors, like ATISA & CCMA. The capacity in which we act is identified in your trade confirmation.

B.1 Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash or margin account, depending on eligibility and what you seek. In a cash account, you pay for your purchase when you make a trade. In a margin account, you pay by borrowing a percentage of the purchase price from our Clearing Partners, when the trade is executed. The portion of the purchase price loaned is collateralized by securities in your account. The amount you borrow is restricted by margin rules, as well as the value of the collateral. You incur interest costs as a result of your margin trading, similar to a loan. Only certain securities can serve as collateral.

A margin account has eligibility thresholds, unique costs, and requirements. You must execute a separate agreement before opening one, to make sure you are suitable for margin trading. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement has important information about establishing a margin account.

B.2 Types of Brokerage Accounts

We offer various kinds of accounts. These include individual and joint, corporate, and limited liability company, custodial, Delivery Versus Payment (“DVP”), estate and trust, partnership, individual retirement, and other types of retirement accounts. You should refer to the account agreement(s) for more information about account types and speak with a representative of ATIS if you have further questions, particularly about the best type of account for you.

B.3 Incidental Brokerage Services, Recommendations and Account Monitoring

We also provide incidental services for accounts. These may include research and recommendations to buy, sell, or hold investments. When we make a securities or allocation recommendation, investment strategy recommendation, recommend a type of account to open or rolling over assets from your Qualified Retirement Plan (“QRP”) to an Individual Retirement Account (“IRA”), we do so as a broker-dealer. Our fiduciary duty, except in certain situations involving accounts like those governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), extends only to executing trades for you competently, based on your instructions and any recommendation we make other than

accounts grounded by ERISA. A brokerage account does not carry an ongoing fiduciary relationship with you. We are, however, at all times required to act in your best interest, pursuant to RBI, without placing our own financial or other interest ahead of your interest.

When we make brokerage recommendations, the recommendation must be in your best interest. We will consider reasonably available alternatives and your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other information you provide us. You may accept or reject any recommendation. It is your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not provide on-going monitoring of your account.

We may provide you with other resources in connection with your account. This includes educational information, sales and marketing materials, performance reports, asset allocation data, and/or periodic brokerage account reviews, all in connection with the recommendations we make. These activities and resources themselves should not be considered a recommendation to trade or hold any particular securities in your account.

B.4 Clearing Services

Except as to certain “away” accounts placed directly with issuers, product manufacturers and third party custodians, we process securities trades through AXOS & RBC, with whom we have a Clearing Agreements. NFS or RBC custodies your assets and provides “back office” functions including trade processing. NFS, RBC and ATIS share responsibilities with respect to your account set forth in the Designation of Responsibilities delivered when you open your account.

B.5 Understanding Risk

All investment recommendations and activities involve risk, including the risk of losing your entire principal. Some investments involve more risk than others. Higher-risk investments potentially have higher returns, but also greater risk of loss. The higher your “risk tolerance,” the greater the risk of loss is in achieving your investment goals. We try to align risk tolerance with investment needs to offer different investment objectives. You should select the investment objective and risk tolerance best aligned with your account and needs. Our account application requires you to tell us about your investment goals, your risk tolerance as well as other risk components to produce an investment profile.

The following is a brief table that summarizes both investment goals as well as the various levels of risk tolerance:

<u>Investment Goal</u>	<u>Categories of Risk Tolerance</u>
<ul style="list-style-type: none">• Preservation of Capital• Income• Capital Appreciation• Speculation• Trading Profits• Growth and Income	<ul style="list-style-type: none">• Conservative• Moderately Conservative• Moderate• Moderately Aggressive• Aggressive

For a complete description and discussion of these concepts, please see the “Suitability” and “Customer Agreement” Sections of our standard account brokerage applications which you can obtain from your ATIS financial professional.

Investment goals reviewed in the context of risk tolerance level result in various mixes of higher or lower risk investments. For example, “Income” investors may hold fewer higher-risk investments. “Growth and Income” investors hold a balance of both higher-risk and more conservative lower-risk investments. “Growth” investors often hold the majority of their portfolio in higher-risk investments, often equities. Investors interested in speculation hold large percentages of very high-risk investments.

Our recommendations depend on your risk tolerance and investment objective. You must determine your investment objectives and risk tolerance as we make recommendations to you. If your life circumstances, goals, risk objectives, or risk tolerance change, so may the recommendations we make to you, based on these changes.

B.6 Cash Sweep Account Feature

Some of our brokerage services provide a Cash Sweep Account feature. This permits you to earn interest on uninvested cash balances and proceeds in your brokerage account by “sweeping” cash balances into an account paying interest. The balance stays in the account until the monies are needed to satisfy other obligations, like new security purchases. The cash sweep vehicles and options vary by clearing partner. Additional information concerning this is described in your account agreement(s).

B.7 Account Minimums and Activity Requirements

You should understand that our financial professionals may establish their own minimum account balance requirements for accounts they service. These requirements are disclosed to you orally by your ATIS financial professional. Some accounts otherwise do have minimum account activity requirements and/or minimum ongoing balance requirements.

B.8 Account Monitoring

In general, while your financial professionals may voluntarily review your account holdings and provide you with an unsolicited recommendation, we will not monitor your account on a regular basis.

B.9 Agency vs. Principal Trades

When transactions occur in your account with us, we act as either an agent or as principal. The capacity in which we are acting will be reflected on your trade confirmation.

- When we engage in an agency trade, we act as an intermediary between you and the buyer of a security when you sell the security, and between you and a seller of the security when you buy a security. ATIS does not own or have some other beneficial interest in the securities involved in a sale, purchase, or exchange transaction done on an agency basis. In these circumstances, ATIS acts as a broker.
- When we engage in a principal trade, ATIS buys or sells for an account in which ATIS has a beneficial ownership interest, which in most cases is a proprietary account. In other words, ATIS sells to you a security that it holds in its own account or purchases the security from you for purposes of holding the security in its own account. In these circumstances, ATIS acts as a principal (also called a dealer)

C. Brokerage Fees and Our Compensation

A brokerage relationship can be a cost-effective way to invest, but it is not for everyone given the commissions and costs involved. Depending on your investing style, goals and objectives, the frequency of trading, allocation of assets and other factors, a brokerage account may not be in your best interest when you are considering the overall expense of investing. Please discuss the various kinds of accounts identified above with your ATIS financial professional.

C.1 Transaction-Based Compensation for Brokerage Accounts.

C.1(a) Commissions

When ATIS acts as your agent, ATIS charges you a commission when ATIS executes a purchase, sale, or exchange transaction of certain types of securities. A commission is either a flat dollar amount per trade, or a percentage of the total price of the securities involved in the trade. Commissions typically range between 1% - 4% of the total price of the securities. We generally do not charge more than a 5% commission

for equity securities and a 3.5% commission for fixed income products (which includes both fixed income commissions and any “mark-up” or “mark-down” charge). The commission amount is deducted from your account. In general, there is a minimum commission of \$45 you will pay for any transaction involving a stock, bond, or option, but if the cost of the securities is less than that minimum amount, you will pay a percentage-based amount.

Commission amounts can vary depending upon certain factors such as the size of a transaction or the type of securities involved. In addition, your financial professional may have the ability to modify the amount of commissions ATIS will charge for a securities transaction within certain parameters. Your financial professional may charge different commissions for different clients for the same transactions involving identical securities. You should discuss with your financial professional the commissions he or she charges, and whether such commissions are negotiable. The amount of these costs are described on the customer account fees on our website, www.amtruinvest.com.

C.1(b) Principal Transactions/Mark-ups and Mark-downs

There are costs associated with transactions in any financial product. When you purchase or sell investments in a principal transaction, the cost of purchasing the investment may include a charge called a “mark-up.” This means that when ATIS sells you a security from its inventory, ATIS will sell the security to you at a price that is higher than the market price of the security. The difference between the sales price and the market price (or “spread”) is the “mark-up” and is a form of compensation paid to ATIS. It is important for you to understand that the higher the price for your particular investment, including the mark-up, the lower your yield, or return on investment.

On the other hand, if ATIS buys a security from you for purposes of taking that security into its own inventory, ATIS often will buy the security from you at a price that is lower than the market price. The spread between the purchase price paid to you and the market price is called a “mark-down.” The “mark-down” is not direct compensation. However, ATIS may then sell that security to another customer or a third party. If the sales price is higher than the price that ATIS purchased the security from you, the difference or spread is compensation paid to ATIS.

ATIS and your financial professional are responsible for determining the mark-up for the security ATIS will sell or buy from you. In the case of a sale of a security to you, the mark-up and commission generally will not be more than 3.5%. However, the spread may vary depending on the security. Your financial professional may quote a different price for different clients for the same transactions. You should discuss with your financial professional the price quoted and whether the price is negotiable.

C.2 How We are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken from your account. Indirect compensation is paid in ways other than directly from the account and may impact the value of the account investments. The sections below describe the compensation we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

C.3 Mutual Funds

We currently offer a range of mutual funds which vary in share class structure, costs, and investment style. If you invest in mutual funds, we may receive direct and indirect compensation as a result of your mutual fund investments, as described below, in Section B.6(b).

C.3(a) Buying Mutual Funds Directly from a Sponsor

Many mutual funds may be purchased directly from the issuer without using our clearing firm. Depending on the issuer, fees may vary between buying directly or buying through our clearing firm.

Please ask your ATIS financial professional which purchasing method is best for you.

C.3(b) 12b-1 / Shareholder Distribution Fees

We receive 12b-1 fees, also known as trails, based on fund assets from various mutual fund sponsors under a service arrangement to cover distribution expenses and sometimes shareholder service expenses we provide. Shareholder servicing fees are paid to us to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family. They range from 0% to 1%. Fees may be passed on to ATIS and your financial professional as a service fee.

C.3(c) Mutual Fund Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-end sales commission, sometimes referred to as a “load,” may be charged and paid to us when you purchase a fund. These front-end sales charges are deducted from the initial investment when you buy certain share classes of mutual funds. This charge normally ranges up to 5.75%. Some purchases qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction you make and any “rights of accumulation,” (purchases made separately over a specified period of time) or Letters of Intent (“LOI”). In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain other qualifications. You should contact your ATIS financial professional for further descriptions.

CDSC is a charge you pay when you withdraw money from certain funds prior to the end of the fund’s “CDSC period.” CDSC charges range from 0.00% to 5.50%. CDSC durations can range up to seven years, depending on the fund, and reduces over the duration you hold the fund. This charge typically exists on share classes that do not have a front-end sales charge, i.e., “B” or “C” class funds, rather than “A” class. The CDSC sometimes is referred to as a “back-end load.” CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class you purchase. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund’s prospectus. Fees and expenses disclosed in the fund’s prospectus are charged against the investment values of the fund and will affect the “net asset value” of the fund.

C.3(d) Revenue Sharing

From time to time, ATIS enters into agreements with certain partners such as mutual fund families, investment advisers (including advisers to mutual funds and other investment funds), investment managers, sponsors of mutual funds and other securities, issuers of securities, insurance companies, and other entities. Pursuant to those agreements, the counterparties to the agreement periodically make payments to ATIS to share in the revenue those partners receive. Those payments may be a negotiated flat dollar amount or a percentage of the assets under advisement, and some partners pay us more or a higher percentage than others. In general, under our arrangement with our clearing agent, ATIS may receive a payment ranging from approximately 0% to 0.5% of assets under advisement each year, less clearing costs we pay to our clearing partner. Your financial professional can identify for you the partners with whom ATIS enters into revenue sharing agreements.

C.4 Insurance

ATIS and your financial professional receive commission-based compensation in connection with the sale or renewal of insurance and annuity products. This presents a conflict of interest because our financial professionals who are also licensed as insurance agents may have an incentive to recommend insurance and annuity products to you for the purpose of generating commissions even though an alternative recommendation may be in your interest. If your financial professional recommends these insurance products, he or she will provide you with more specific information regarding the attendant fees and costs associated therewith for additional information regarding annuities, please refer to the prospectus for the annuity in which you are interested.

C.5 Market Linked Investment Products

From time-to-time ATIS may offer market-linked products. If you are interested in these products and the costs and fees associated with them, please contact your ATIS financial professional.

C.6 Alternative Investment Products

We may recommend that you purchase alternative investment products such as business development corporations (“BDCs”), real estate investment trusts (“REITs”) and other alternative products. ATIS charges a commission for transactions in BDCs and REITs of up to 5% of your investment. In addition, BDCs and REITs generally charge you internal management fees, servicing fees, and other fees and costs. If your financial professional recommends BDCs, REITs or other alternative products, he or she will provide you with more specific information regarding the attendant fees and costs associated with those investments.

C.7 Unit Investment Trusts (UITs)

UITs may feature either Equity and/or Fixed-Income investments. We are compensated depending on the type and terms of the UIT portfolio selected. The types of fees we receive are disclosed in the prospectus issued by the UIT provider. Your ATIS financial professional will provide a copy of the most recent prospectus before you purchase a UIT. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

C.8 Other Account and Service Costs

You pay costs for various operational services we provide. These are priced at least annually and communicated through information contained in your account statements and other notifications. These costs do not apply to all account types and can be waived under certain conditions. Before opening an account, you should consider the total amount of expense you will pay for investing through ATIS.

Based on the service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, please contact your ATIS financial professional. The list of customer account fees can also be found on our website at www.amtruinvest.com. Please note also that other broker/dealers may charge more or less than ATIS for equivalent services.

C.9 Compensation When Our Services Are Terminated

Other than any contingent deferred sales charge for a mutual fund (as described under the Mutual Funds section above), IRA termination fees and account transfer fees, the firm does not receive additional compensation in connection with the termination of its services when you close your account.

D. Conflicts of Interest

A “conflict of interest” is an incentive or interest that might influence ATIS or your financial professional, consciously, or unconsciously, to make a recommendation that is not disinterested. At ATIS, we have procedures in place to identify, eliminate, and where elimination is not possible, mitigate and disclose all material conflicts of interest associated with the securities we offer and those conflicts that create an incentive for your financial professional to place his or her interest ahead of yours. In this section, we discuss certain material conflicts that apply to our relationship.

Various conflicts of interest exist when we provide services to you. A conflict of interest or potential conflict of interest develops when we engage in an activity where our interest is materially or potentially could be adverse to your interest. These conflicts do not mean harm to you will occur, but it is important we disclose conflicts because they can affect or bias our recommendations to you. Moreover, regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with any recommendations to you.

Conflicts of interest typically result from payout of compensation and other financial arrangements between us, our clearing partners and other third parties. We offer a broad range of investment services and products and receive various forms of compensation from our clients, non-affiliated product providers, and other third parties. Securities rules allow us to earn compensation when we provide services. The compensation we receive varies based upon the product or service, which may create a financial incentive for us to recommend investment products and services generating greater compensation.

We take steps to identify and mitigate conflicts of interest if necessary to ensure we act in your best interest when providing recommendations. Below you will find additional information regarding conflicts of interest. This is not intended to be all-inclusive, but generally describes those that are material to your relationship with us. You should refer to various other disclosure documents we have provided you which also address such conflicts. In addition to this disclosure, conflicts of interest are discussed in Form CRS which you can access on our website at www.amtruinvest.com.

D.1 Transaction-based conflicts

In your account you pay certain commissions to buy and sell investments, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities and bonds. When these fees apply, the more transactions you enter into, the more compensation we receive. This creates an incentive for us to recommend that you buy and sell, rather than hold, investments. We may also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or none at all. When we make recommendations to you, please understand you are under no obligation to accept any recommendation.

D.1(a) Commissions

ATIS has an incentive to recommend that you sell, buy, or exchange securities more frequently because doing so increases the transaction-based compensation HTS receives. Additionally, HTS has an incentive to recommend that you engage in transactions involving securities for which it may charge higher commissions (e.g., options) than what may be charged for other securities (e.g., domestic stocks).

D.1(b) Principal Transactions, Markups and Markdowns

When we act as principal, ATIS and your financial professional sell your securities that we hold in a firm account or buy securities from you for our own account. We are compensated based on the difference between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price (markup), or the difference between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price (markdown). As described earlier in this Brochure, ATIS's compensation is a mark-up when it sells you a security in a principal trade. When ATIS sells you a security from its own account, it may create incentives for us to generate trading profits or minimize losses, and thus to act against your best interest. Additionally, when ATIS holds a security in its own account, it bears the risk of owning that security. Therefore, it has an incentive to recommend that you buy the security, even though buying it may not be in your interest. We maintain policies and procedures reasonably designed to ensure compliance with the markup and markdown industry rules.

D.2 Compensation we receive from third parties

Third-party payments we receive may be based on the new sales of investment products. This also encourages us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive to recommend you buy and hold investments (or continue to invest through a third-party manager).

The total amount of payments we receive varies. It also varies from the compensation we receive from other products and services we make available. We may have an incentive to recommend investment

products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even when it is not paid by the Product Sponsor and not directly from the cost of the investment product you pay. Types of third-party compensation include:

- **Revenue Sharing.** This can be a distribution and/or marketing fee based on assets under management.
- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We may have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.
- **Cash Sweep Accounts.** As discussed above, should you opt to use a cash sweep account feature, the rate of return you receive on assets held in such an account is reduced on account of a revenue sharing agreement ATIS has with NFS & RBC. Under this agreement, ATIS receives a fee calculated at .25% of the assets under management. The receipt of this fee constitutes a conflict of interest for ATIS since it incentivizes us to recommend use of the sweep account. The more assets retained in the sweep account, the greater the compensation to ATIS. You are not required to use the sweep account feature.
- **Transfer Cost Credits.** We receive certain credits from NFS & RBC regarding new assets transferred to ATIS. This also incentivizes us to accumulate assets which will enhance such payments to us.
- **Margin Interest.** We receive part of the margin interest you pay our clearing firms NFS and RBC. This incentivizes us to recommend opening a margin account since the interest generated benefits us.
- **Marketing Allowances from REITs.** ATIS also receives certain “marketing allowances” from entities promoting or selling certain non-traded public REITs. The receipt of this compensation incentivizes us to recommend purchase of REITs which generate the marketing allowances.

D.3 Additional compensation and services from product sponsors and other third parties

We work with certain product and service providers who sometimes give training and education compensation to our financial professionals. These offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our financial professionals. These events are held to educate us on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. For example, we receive certain compensations from one or more mutual funds, variable annuity companies, and REIT sponsors for conferences they sponsor and at which they market their products. Note, the receipt of this consideration is a conflict of interest since it may incentivize us to recommend products of product vendors who provide us with such compensation.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with our financial professionals; these relationships could lead to sales of that particular company’s products over other offerings of Companies who do not participate in these events. This creates a conflict of interest as well.

D.4 Product share classes

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. This also creates a conflict of interest for us. We may be incentivized to make available those share classes or other product structures that could generate higher compensation to us.

D.5 Compensation Received by Financial Professionals

Registered representatives are compensated in a variety of ways based on the percentage of revenue generated from sales to clients including brokerage account activity and their independent correspondent agreement with ATIS. This compensation varies by product or service. In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments. Thus, financial professionals are incentivized to recommend products that have higher fees as well as those with ongoing trail payments.

Typically, a financial professional’s payout increases the more you transact activity in your account. As a result, financial professionals have an incentive to provide brokerage recommendations that result in buying and selling more investment products and services.

A.1 Account maintenance and other administrative fees and resulting conflicts

For the services we provide or make available to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees. Please see our website at www.amtruinvest.com for information about these costs and fees. The more the fees we charge, the more we are compensated. This also provides an incentive which creates a conflict of interest for us.

Registered representatives have an incentive to recommend you rollover assets from a Qualified Retirement Plan (“QRP”) to a brokerage Individual Retirement Account (“IRA”) since this too may increase their compensation. We maintain policies and procedures designed to ensure that rollover recommendations from a QRP are in your best interest.

We provide recruitment compensation to financial professionals joining our firm from another firm. This varies with each relationship and is often either an upfront or backend payment based on new assets brought to the firm or revenue generated from new client assets. This is an incentive for the professional to recommend transfer of assets to our firm, including brokerage assets to receive this compensation.

Registered representatives are also compensated in the form of reimbursement when attending sponsor meetings, ATIS conferences, or sometimes in producing and broadcasting on-the-air seminars. These are usually radio programs which are sponsored by a product vendor like a mutual fund company. Registered representatives conduct and/or attend such meetings and trips to obtain education about the products offered for sale, to conduct due diligence on the issuer offering the product, and to build relationships with the product issuer. Portions of these programs may be subsidized by external vendors and affiliates, such as mutual fund companies or insurance carriers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with financial professionals, which could lead to sales of such product provider’s products. Registered representatives may receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

Financial professionals may have an incentive to provide brokerage recommendations which are based on gathering more assets under management, which also increases brokerage trading activity. This too is a conflict of interest.

B. Other Financial Professional Activity

Certain of our financial professionals maintain licenses that allow them only to recommend and sell mutual funds and variable annuities (Series 6 license). If you desire to purchase other investments, please alert ATIS or your financial professional and we will make arrangements for you to do so. In addition, for certain products like REITs or alternative investments, ATIS may recommend only a select group of approved products in these categories. This limits the recommendations our professionals may make to you since they can only recommend approved products. Some of our professionals are licensed with ATIS and not with our sister registered investment advisors, ATISA and CCMA. Such ATIS licensed professionals do not offer advisory services. Finally, some of our professionals are licensed as insurance agents through American Trust Insurance Services, Inc. Ask your financial professional if you have an interest in such services.