R.J. O'Brien Securities LLC Reg BI Disclosure

About Us
R.J. O'Brien Securities LLC ("RJOS" or the "Firm" or "Us") is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA). We offer a very limited variety of accounts and investment options to only institutional clients.

Affiliated Entities
The Firm is affiliated with an investment adviser, Oasis Investment Strategies LLC, ("Oasis") Oasis is registered with the Securities and Exchange Commission (SEC) as a Registered Investment Adviser and R.J. O'Brien & Associates LLC (RJOA) registered with the Commodities and Futures Trading Commission (CFTC) as a Futures Clearing Merchant. Oasis and RJOA offer a variety of accounts and services. Some of our financial professionals registered with RJOS may also be registered with Oasis and RJOA and in such cases may recommend accounts and services not available through RJOS. You can find more information regarding Oasis and RJOA by visiting www.adviserinfo.sec.gov and www.nfa.futures.org/basicnet.

About this Document
This document is meant to provide additional information and disclosures regarding our Firm pursuant to Regulation Best Interest.

Capacity in which your Financial Professional is Acting
Your financial professional is a Registered Representative of our Broker-Dealer. You can check your financial professional at www.brokercheck.finra.org which will allow you to search for your financial professional by name. Their respective profile will show you additional information about your financial professional and you can also find additional information about our firm.

RJOS does not make recommendations to you regarding investments in your custodian or brokerage/futures account or directly with an investment sponsor (known as "direct business"). When dealing with a RJOS financial professional he/she is solely acting in his/her capacity as a registered representative of our Firm (a broker-dealer).

Material Limitations
You should understand there are material limitations to the information your financial professional provides. The Firm approves and offers only certain limited types of services, and security types. There are additional account types, products, and securities that are not offered by the Firm, which may benefit you and your portfolio. In addition, those that we do offer may be available at a lower cost through another firm.

Additionally, the financial professionals associated with our Firm are licensed to offer certain account types, products, and securities. In some cases, even when available through our Firm, your financial professional might not be able to recommend a particular account type, product, and/or security which may benefit you and your portfolio. You can check to see the licenses your financial professional holds, by visiting www.brokercheck.finra.org.

Requirements for You to Open or Maintain an Account with Us
While RJOS does not hold or open any retail accounts, it does offer institution options and treasury agency business performed on a give-up or riskless principal capacity which are tailored to settle with the institutional client's custodian(s). It is also important to note some products will require a minimum investment/trade size with institutional verification.

Our Firm's Investment Approach
The Firm uses its industry knowledge and experience to provide institution options and treasury agency business performed on a give-up or riskless principal capacity to only institutional clients. The Firm seeks to understand our clients' unique investment profiles and strategies. However, the services offered by the Firm do vary and the investment philosophy, approach, risk, and objective of these services will too. You

should review your trading strategy and/or investment profile parameters thoroughly before placing a trade. RJOS does not provide advice or make recommendations. You should consult with your financial professional or custodian should you have additional questions.

Material Fees, Costs, and Associated Conflicts

The Firm and its associated professionals receive compensation directly from their customers. This compensation takes the form of an upfront commission, received from client invoices. It is important to note that the amount of compensation can change over time. In order to receive specific and the most up-to-date information, Customers should review the respective client custodian agreement, and/or other transaction statement. Customers should discuss with their financial professional if they have any questions regarding compensation and/or conflicts of interest.

<u>Sales Compensation</u>

The Firm receives selling compensation when it buys or sells a security. This selling compensation is also referred to as a commission, markup/markdown, placement fee, or sales charge/load. Because the amount of selling compensation charged can vary between different securities and products, this could create an incentive to sell certain investments over others. It could also create an incentive to conduct a higher number of transactions.

- <u>Equity/Index Options:</u> The Firm typically charges a flat fee per option contract. The Firm in very limited circumstances is able to waive or reduce this amount depending on the circumstances of the trade size, but may also charge slightly more in certain circumstances, such as a trade which take additional time.
- <u>Treasury Transactions:</u> The firm charges a markup or markdown commission for treasury transactions. The commission charge will vary based on difficulty and/or complexity of the order and trade size.

<u>Product Costs and Fees</u>

RJOS financial professionals do not provide recommendations. Many investment products charge fees and costs that are separate from and in addition to the commissions and fees that the Firm and financial professionals receive. You can learn more about these fees and costs charged by an investment product by reviewing your client, custodian, or executing broker agreement.

<u>Account Fees</u>

In addition to the commissions and sales charges described above, customers can also be charged direct fees and charges for miscellaneous account services, including, but not limited to transaction processing, transfers, margin, ticket charges, inactivity, and account maintenance. For a complete list of these charges and fees you should review your client, custodian, and executing broker account agreement and/or fee schedule and discuss with your custodian client representative.

<u>Registered Representative Specific Compensation</u>

Registered representatives' compensation may vary. Some are paid a base salary. A registered representative's compensation package typically includes a percentage of the selling compensation described herein. Accordingly, your sales representative could be incentivized to recommend more costly products or recommend additional transactions to obtain a greater percentage of the overall revenues. In addition, your financial professional may also receive some bonuses or non-cash compensation, such as expense reimbursements.

<u>Additional Compensation from Third Parties</u>

It's important to note, the firm does not receive third party compensation, however, there could be indirect benefits from the futures activity which may complement the firm's. In order to receive specific and the most up-to-date information, Customers should review their transaction statement from each relationship.

- **Non-Cash Compensation and Marketing:** The Firm and its employees may periodically receive compensation that is not transaction based from third parties. This includes entertainments such as tickets to a sports game, costs associated with dinner, small gifts valued at less than $100, or marketing fees for workshops, events, and advertising.

- **Clear through Arrangements:** The firm for its institutional options and treasury operations each has a clearing firm to provide for a clear-through capacity. Although the amount of compensation may vary depending on security, transaction type, and order size, typically we receive a percentage of the fees charged by the clearing firm and/or executing broker.

Additional Conflicts of Interests

Gifts and Entertainment A conflict of interest may arise when an employee receives or offers a gift, entertainment, or anything of value that creates an incentive for an employee, third party service provider, or a client to act in a certain way.

Shared Revenues and Payments from Third Parties As described above, certain registered representative may receive revenue, fees, and/or payments from our affiliates which could create an incentive to offer or recommend certain activities or trading strategies.

Outside Business Activities When approved, registered representatives may engage in certain outside business activities. This may include, but is not limited to real estate, futures trading activities, affiliates business operations, accounting, insurance, legal, and other professions. As a result, financial professionals may be incentivized to devote less time or services outside the scope of their relationship with RJOS and they may benefit financially from these activities. In addition, employees may engage in personal trading or outside business activities (including board memberships/directorships) which could conflict with a client or the firm.

Political and Charitable Contributions The firm and/or its employees charitable and/or political donations could create the perception that the company or employee is seeking a quid pro quo.

Confidentiality The Firm and its employees are periodically exposed to confidential information which may benefit us or a client.

Understanding Risk

Our Firm does not provide financial, tax, legal, or accounting advice. Accordingly, we encourage each customer to consult their own financial, tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular trading strategy.

Trading in securities involves risk of loss that customers should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will be profitable for a customer's investment strategy. Past performance is not indicative of future results. A customer should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized. The following is a non-exhaustive list of risks associated with investing. For additional product-specific risks, customers should review the Characteristics & Risks of Standardized Options also known as the options disclosure document (ODD). Or visit www.theocc.com/about/publications/character-risks.jsp, It explains the characteristics and risks of exchange traded options, and consider them carefully prior to making an investment decision.

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Options Risk:** Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the position is 'covered' by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

- **Additional risks common to futures and options:** You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates, and restrictions on the time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

- **Suspension or restriction of trading and pricing relationships:** Market conditions (e.g., illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Treasury security yields may not keep up with inflation. Also, the longer the term of your U.S. Treasury security, the greater the chance you will not be able to act upon a more attractive investment opportunity should one become available.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial/Credit Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.

- **Third Party Manager Risk:** Third Party portfolio managers typically have full discretion as to how manage the model portfolio based on the objective of the model. Such discretion increases the risk that the TPM may mismanage the portfolio and client's assets which may result in client's loss.