

SUPPLEMENTAL CONFLICTS DISCLOSURE

This Supplemental Conflicts Disclosure provides information about the business practices, compensation, and conflicts of interest related to Royal Alliance Associates, Inc. (referred to as “Royal Alliance,” “we,” “us,” or “the Firm”). Additional information about Royal Alliance and our financial professionals is available on FINRA’s website at <http://brokercheck.finra.org>.

INTRODUCTION

Royal Alliance is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). We are also registered as an investment adviser with the SEC and are qualified to sell insurance products in all 50 states.

As part of our regulatory obligations, Royal Alliance is required to provide full and fair disclosure of material facts related to our conflicts of interest. We use a layered disclosure approach to disclose these conflicts in various documents, most of which are provided over the course of a client’s relationship with Royal Alliance and are also found at www.royalalliance.com/disclosures. There are, however, conflicts that we would like to describe in this Supplemental Conflicts Disclosure that are not specifically disclosed elsewhere.

To mitigate potential conflicts of interest, Royal Alliance maintains policies and procedures to reasonably ensure all recommendations are made in the client’s best interest.

CONFLICTS OF INTEREST

- **The Referral Rewards Program** – Subject to certain qualifications and restrictions, the Firm will make payments to affiliated financial professionals for referrals of unaffiliated financial professionals. For each qualified referred financial professional who affiliates with the Firm, the referring financial professional will receive up to 3% of the referred financial professional’s trailing 12-month production and up to 3% of the referred financial professional’s first 12 months of production. The Firm is

responsible for these payments and the payments to the financial professional are not a portion of the fees and/or commissions you pay. Your financial professional's status as a referring financial professional is not a conflict to you because if referring, the referred financial professional's production is unrelated to your account. Your financial professional's status as a referred financial professional is not a conflict to you, because your financial professional is not compensated specifically for being part of the Referral Rewards Program.

- **The Custodial Net New Asset Program** – We will make additional annual payments to financial professionals of up to 20 basis points (.20%) on all net new assets added to our brokerage customer accounts custodied with Pershing and NFS. The Custodial Net New Asset Program provides an incentive for your financial professional to select the Pershing and NFS custodial location for your brokerage accounts because compensation is paid to the financial professional (rather than a custodial location at an investment sponsor which would not result in additional compensation).
- **The Select Advisor Program** – Some financial professionals have been selected to participate in a program whereby they will receive up to 30 basis points (.30%) on all net new assets added to our customer accounts custodied with Pershing and NFS. Net new assets (“NNA”) is defined as contributions to existing accounts and transfer of new client assets onto our custodians Pershing and NFS, less distributions or outbound transfer of assets from these same custodians. Eligibility for the program will be based on NNA custodied with Pershing and NFS between April 1 and March 31 with payments generally being made in April of each year. If total NNA during this 12-month period is equal to or greater than \$5 million, but less than \$10 million, the financial professional will receive a one-time 20 basis point (.20%) payment. If total net new assets during this 12-month period are equal to or greater than \$10 million, the financial professional will receive a one-time 30 basis point payment tied to a 3-year forgivable note that will be forgiven in equal one-year portions each year based on the financial professional's continued affiliation with the Firm. The Select Advisor Program provides an incentive for your financial professional to select the Pershing and NFS custodial location for your brokerage accounts because compensation is paid to the financial professional (rather than a custodial location at an investment sponsor which would not result in additional compensation).