Item 1: Cover Page

Part 2A of Form ADV
Firm Brochure

October 30, 2023

Regal Advisory Services, Inc.
SEC File No. 801-71619

950 North Milwaukee Avenue, Suite 101
Glenview, IL 60025

phone: 877-488-6537
email: info@regaladvisoryservices.com
website: www.regaladvisoryservices.com

This brochure provides information about the qualifications and business practices of Regal Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 877-488-6537. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about of Regal Advisory Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The firm made the following material changes since the last annual update of this disclosure statement issued on March 29, 2022:

- The firm has added several advisory services programs offered through Hilltop Securities, Inc. (HTS). Please refer to Items 4 and 5 for information regarding these programs' services and fees.

Item 3: Table of Contents

Item 4: Advisory Business

A. Description of Your Advisory Firm

Regal Advisory Services, Inc. ("Regal" and/or "the firm") is a Delaware corporation established in 2001 and approved as a Registered Investment Adviser in 2001. George Bokios is a shareholder with 56.67% ownership, and the Bokios 2012 Dynasty Trust has 43.3% ownership. Andy Zimmer is the firm's Chief Executive Officer, and Gabriel Duran is the firm's Chief Compliance Officer.

B. Description of Advisory Services Offered

The client's Financial Advisor will develop an investment program that will meet the client's goals, objectives, and tolerance for risk. The Financial Advisor will analyze the client information and recommend an appropriate strategy based on the client's needs and objectives, investment time horizon, risk tolerance, liquidity, and any other relevant factors.

Currently, Regal offers the following programs:

- RBC Correspondent Advisory Programs
  - RBC Advisor
  - RBC Consulting Solutions
  - RBC Unified Portfolio

- Regal Discretionary Investment Management ("RDIM") (non-wrap)
- Regal Non-Discretionary Investment Management ("RNIM") (non-wrap)

- Hilltop Securities Advisory Programs
  - Regal Separately Managed Accounts
  - Regal Fund Strategist Portfolios
  - Regal Unified Managed Accounts
  - Regal Advisor as Portfolio Manager
- Regal Free Form Advisor (non-wrap)

- Financial Planning Services
- Retirement Plan Advisory Services

Clients have the right to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolio and should promptly notify the firm in writing of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals, and tolerance for risk. Regal will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account. Regal's advisor representative will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

B.1. Regal Discretionary Investment Management ("RDIM")

Financial Advisors of Regal provide investment advisory services to clients that participate in the RDIM Program on a discretionary basis. The Financial Advisors develop portfolios based on certain established guidelines and the client's investment objectives and individual needs. Regal uses both fundamental and quantitative research as well as other independent research. Regal may develop a specific investment philosophy using the mix of these analysis methods. Quality and concentration requirements are established to provide an overall discipline and quality element of the program. Such strategies ordinarily include long- and short-term purchases of securities and, depending on the client's objectives and the Regal's investment philosophy, supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option strategies, and trading or short sale transactions. Further detail is provided in Item 8 of this brochure.

B.2. Regal Non-Discretionary Investment Management ("RNIM")

Financial Advisors of Regal provide investment advisory services to clients that participate in the RNIM Program on a non-discretionary basis. Clients have the option of accepting the Financial Advisor's recommendations or selecting alternative investments for the account. All investments shall be at the exclusive risk of the client. Regal does not guarantee any return on the investments recommended or advised upon and may not be responsible for any losses resulting from such trading or for any transaction. Regal offers periodic rebalancing of the mutual funds in the client's account, at the client's request. Rebalancing is available at predetermined intervals (e.g., annually) or upon the client's direction. IARs may recommend stocks, bonds, or other assets of any kind, consistent with the client's investment objectives and restrictions established by the client. Financial Advisors provide non-discretionary recommendations on the basis of research the Financial Advisor reasonably deems to be reliable.

Financial Advisors may recommend alternative investments in Regal accounts on a non-discretionary basis. The term "alternative investments" refers to securities products that serve as alternatives to more traditional investment asset classes, and may include products such as private placements, real estate investment trusts, hedge funds, private equity funds, preferred stock offerings, interval funds, and various forms of structured products. Alternative investments can be part of an overall strategy for certain investors given the potential for the level of investment returns over time, notwithstanding the higher degree of risk compared to traditional investment strategies. Regal has determined that certain carefully selected alternative investments may be appropriate for inclusion within investment advisory accounts when such investments are suitable based upon client investment profiles. See Item 5 for fees and Item 8 for risks associated with these types of investments. The information contained in this ADV is not an exclusive list of potential or actual risks in any alternative product. Potential investors in alternative investments should review the specific offering documents for more complete details, including an in-depth review of risk factors and fees.

B.3. Regal Free Form Advisor

The Regal Free Form program is a fee-based program that allows the advisor to act as portfolio manager. This program allows a more open, flexible architecture compared to the structure of the Regal Advisor as Portfolio Manager (APM) offering. Trading is handled through the HTS brokerage platform, and not through Envestnet platform. Investment portfolios are customized for each client and may substantially deviate from other model portfolios. Financial Advisors of Regal provide investment advisory services to clients that participate in the Regal Free Form Program on a discretionary or non-discretionary basis. Clients have the option of accepting the Financial Advisor's recommendations or selecting alternative investments for the account. All investments shall be at the exclusive risk of the client. Regal does not guarantee any return on the investments recommended or advised upon and may not be responsible for any losses resulting from such trading or for any transaction. HTS provides performance and billing at an additional cost and is required for all Free Form accounts.

B.4. RBC Correspondent Advisory Programs

B.4.a. RBC Advisor

The RBC Advisor Program is a customized investment consulting program through which accounts of Regal clients receive non-discretionary advice for investing in eligible securities.

The Financial Advisor may recommend eligible securities, including mutual funds offered at their net asset value without any front-end or deferred sales charge, which may also include no-load funds that Regal believes possess investment characteristics that are consistent with the client's risk profile. If the investment strategy will be implemented with mutual funds only, the client selects from the various eligible mutual funds and specifies, in writing, the mutual funds in which account assets are to be invested and the allocation among those funds. This written fund allocation may subsequently be modified by the client by notifying Regal. It is the client's responsibility to advise Regal at such times as client determines rebalancing should occur.

Neither RBC Capital Markets, RBC Clearing & Custody (together herein referred to as "RBC"), nor Regal has discretionary authority with respect to the program account; however, if the client's investment allocation includes a mutual fund share class we deem to be ineligible for the program, we may update the allocation to include the equivalent, eligible share class of the same mutual fund without notification to client. Client has sole discretion to accept or reject an investment strategy or any specific recommendation to purchase, sell, or redeem securities. Client receives investment advice from Regal and Regal's Financial Advisor, and not RBC.

B.4.b. RBC Consulting Solutions

Consulting Solutions is an advisory program through which accounts of Regal clients are managed by one or more professional Investment Managers participating in the Program. Your Financial Advisor may provide you with information on Investment Managers whose investment philosophy and objectives may be compatible with your Risk Profile. In the Single Account Program Agreement with us, you select the Investment Manager.

RBC makes available Investment Managers who meet its eligibility requirements for participation in the Program. See Item 6: Portfolio Manager Selection and Evaluation.

In the Consulting Solutions Program, client signs a Single Program Agreement with RBC and Regal. Client does not sign a separate agreement with the Investment Manager.

Client Selection of Investment Manager

Based on the Financial Advisor's understanding of the client's risk profile (and any additional written investment guidelines established by the client) and the consultative process, the Financial Advisor provides the client with information on participating Program Investment Managers. These Investment Managers have demonstrated an investment philosophy which the Correspondent Firm and Financial Advisor believe are compatible with the client's risk profile. The client then chooses one or more Investment Managers to provide investment management services. We notify RBC, and RBC provides the Investment Manager with a copy of the risk profile and all amendments, as well as any additional investment guidelines established by the client.

The client will select or change the Investment Manager(s). Neither RBC nor Regal has discretionary authority with respect to the account.

B.4.c. RBC Unified Portfolio ("RBC UP")

RBC UP is a unified managed account "UMA" program through which the client's account is professionally managed by RBC as Overlay Manager or a third-party Overlay Manager, Envestnet. The Overlay Manager manages the account through investments in mutual funds, ETFs, and/or in accordance with one or more model portfolios provided by Model Providers or RBC, all in a single account. The Financial Advisor may provide the client with information on mutual funds, ETFs, and/or model portfolios representing different investment styles and strategies that may be compatible with the client's risk profile.

The management of the account may include tax overlay management services and/or personal conviction overlay screens. If the client elects either or both of these additional services, the account will be managed by Envestnet; otherwise, RBC will act as Overlay Manager.

Recommendation of Investment Strategy

Based on our understanding of the client's risk profile (and any additional written Investment Guidelines established by the client), the Financial Advisor will recommend an appropriate investment strategy. If the strategy includes an asset allocation, it will also include an investment allocation—that is, an assignment of a percentage of the overall value of the asset class to one or more mutual funds, ETFs, or model portfolios. The client selects from the eligible investments and specify the investments in which account assets are to be invested and the allocation among those investments. The investment allocation may subsequently be modified by the client by notifying Regal, which will in turn notify RBC, of the changes. Any such changes will be effective only upon confirmation by RBC and the Overlay Manager. However, if the investment allocation includes a mutual fund share class RBC deems to be ineligible for the Program, RBC may update the allocation to include the equivalent, eligible share class of the same mutual fund without notification to the client.

The Overlay Manager will affect the securities transactions required to conform to revisions in the model portfolios as soon as practicable after they are received, subject to any written client-specific investment guidelines such as security restrictions, personal conviction overlay screens, or tax overlay management services; however, delays may occur between the communication of model revisions and the execution of securities transactions for the account. The Overlay Manager intends to manage an account so that the estimated investment performance does not substantially deviate from the model portfolio(s), provided client-specific investment guidelines make it practicable to do so.

Rebalancing of Assets

The client may choose between two rebalancing frequencies (quarterly or annually) to bring an account back to its targeted investment allocation. The Overlay Manager will rebalance the account either quarterly or annually, as selected, affecting the trades necessary to rebalance the account as closely as practicable to the client's target investment allocation. The initial rebalance date will be based on the account start date. The account may be rebalanced at any time when deemed appropriate by the Overlay Manager due to other factors that include, but are not limited to, contributions, withdrawals, model portfolio changes, etc. Any unscheduled rebalance of the account will reset the next rebalance date to the next quarter or a year, as applicable. If the client has elected to receive tax overlay management services (described below), Envestnet will evaluate the trade-off between rebalancing the account and the tax consequences of any client constraints or tax mandates. If the account is not tax-exempt, the sale, redemption, or exchange of investments may result in taxable gains or losses. RBC will not be liable for any tax consequences or mutual fund redemption fees (see the fund's prospectus) as a result of rebalancing.

Alternatively, the client may elect to not have the account rebalanced, in which case the account will only be rebalanced upon client's request. In addition, if the Overlay Manager deems a rebalance is necessary to implement the allocation and investments selected, they may rebalance the account at its discretion. In general, material (generally $10,000 contribution or withdrawal) contributions and withdrawals of assets to or from the account will be applied to the target investment allocation.

Tax Overlay Management Services

Tax Overlay Management Services are available as an option for accounts utilizing model portfolios. These services are provided by Envestnet for an additional fee ("Tax Management Fee"). Envestnet will develop a tax strategy for the account based on the information and instructions provided by the client in the Tax Overlay Management Services Enrollment Form. Tax Overlay Management Services in an investment account offer benefits and limitations, as described below. The tax strategy developed by Envestnet is provided solely in connection with the account, and Envestnet does not provide general tax planning services. If client elects the tax overlay management services option, please consider the following:

- Tax Overlay Management Services are limited in scope and are not designed to eliminate taxes in the account.

- If tax Overlay Management Services are selected for the account, information provided may result in Envestnet making substantial deviations from the investment allocation on a more than temporary basis.
- Envestnet intends to manage the account so that the estimated investment performance does not substantially deviate from the model portfolio(s), provided client-specific mandates make it practicable to do so.
- When providing Tax Overlay Management Services to the account, short-term gains are avoided where possible, but long-term gains are not limited. Limits can be set by the client in the Tax Overlay Management Services Enrollment Form.
- If the client subsequently disables tax overlay management after enrolling in the Tax Overlay Management Service, Envestnet will begin managing the account as if it is not tax managed, which may result in the recognition of significant gains.
- Clients should only complete the Tax Overlay Management Services Enrollment Form after consulting with a tax advisor.

Any tax loss carryover specified for the current calendar year may be taken into consideration by Envestnet in managing the account. Clients should update this information annually. On an ongoing basis, any losses taken in the account may be taken into consideration in managing the account. If the client recognizes gains outside the account that result in the use of the specified losses, client must notify Correspondent Firm, which will in turn notify RBC, and RBC will in turn notify Envestnet, so that the loss carryover amount may be reduced accordingly.

Mandates or the use of limits to restrict the amount of gains realized or the total tax bill may severely restrict trading in the account and could result in substantial deviations from the investment allocation. Mandates and limits should only be imposed on the account after the client has consulted with client's tax advisor. Amounts specified will be used annually until client specifies otherwise.

For more information on Tax Overlay Management Services, please refer to Envestnet's ADV.

Personal Conviction Overlay Screens

Clients may restrict their accounts from investing in certain securities or industries. These services are provided by Envestnet for an additional fee ("Personal Conviction Overlay Screen Fee"). Envestnet relies on third-party providers for data of the industry classification and socially responsible classifications of individual securities, and Envestnet and RBC make no guarantee as to the accuracy of such third parties' classification. Changes may occur that affect the industry classification of a firm, and Envestnet will make reasonable efforts to implement those changes in a timely manner. In general, Envestnet may implement restrictions by taking one or more of the following actions: increasing the relative proportions of other securities to replace the restricted securities; increasing cash in the account; and selecting alternate securities.

Many of the personal conviction overlay screens have both a Best in Class and Strict restriction. Best in Class restrictions are designed for investors aiming to achieve alignment between their values and their need to ensure the prudent management of their investments, while Strict restrictions are designed for investors who want to integrate more stringent environmental/social criteria into their investments by further evaluating sources of revenue and employing tighter revenue thresholds. They seek to minimize exposure to companies with specific products, services, and operations that do not meet the personal convictions criteria set by the client.

Opening a Program Account

The client must sign an advisory agreement with RBC prior to enrollment in the Programs. Upon signing an RBC Advisory Master Services Agreement (the "Master Agreement"), client is granting Regal and RBC the authority to affect certain investment advisory transactions or make updates to the RBC Unified Portfolio account(s) with verbal instruction to client's Financial Advisor, including, but not limited to:

- Program enrollment
- Establishing account fees
- Program changes
- Risk profile
- Investment Manager or allocation changes, if applicable
- Changes to program fees
- Rebalancing frequency
- Adding/removing account restrictions
- Advisory program termination

RBC will provide in writing any changes made to the client's Program Account(s). In certain circumstances, RBC may require the client to sign a separate Client Agreement or additional documentation relating to client's program account(s).

B.5. Hilltop Securities Advisory Services ("HTS")

B.5.a. Regal Separately Managed Accounts ("SMA")

The Regal SMA program provides the Advisor access to a selection of separate account managers who typically invest in a portfolio of individual equity and/or fixed income securities depending upon that manager's stated strategy.

The cost of utilizing this program is the HTS platform fee, plus the Manager Fee set by Envestnet and the third-party manager. Manager fee will vary based on SMA.

B.5.b. Regal Fund Strategist Portfolios ("FSP")

The Regal FSP program provides the Advisor access to a selection of ETF and Mutual Fund portfolios that are managed by third party strategists. Each strategist typically offers a selection of portfolios that range from conservative to aggressive, allowing the client and advisor to select the best portfolio for the client's risk tolerance.

The cost of utilizing this program is the HTS platform fee, plus the Manager Fee set by Envestnet and the third-party strategist. Manager fee will vary based on strategist selected.

B.5.c. Regal Unified Managed Accounts ("UMA")

A Regal UMA allows the combination of two or more SMA Managers or FSP Strategists to manage an allocated portion of the assets (each allocation is a "sleeve") within a single account. The Advisor may also serve as portfolio manager for one or more sleeves within the UMA.

The cost of utilizing this program is the HTS platform fee, plus the Manager Fee set by Envestnet and the third-party Manager or Strategist. This fee will vary. (NOTE: The UMA platform fee applies to all sleeves within a UMA, including those that are an FSP, or advisor managed).

B.5.d. Regal Advisor as Portfolio Manager ("APM")

The Regal Advisor as Portfolio Manager program may be offered for discretionary and/or non-discretionary accounts. The non-discretionary program allows the Advisor to apply an asset allocation model to an account then trade that account through the platform. The discretionary version of the tool allows the Advisor to create specific model portfolios, attach clients to those models, and manage one or more accounts by administering the model.

The cost of utilizing this program is the HTS platform fee.

B.6. Financial Planning Services

Regal may provide financial planning advice and services with respect to various financial planning topics as mutually agreed upon between the client and Regal. Such topics may include one or more of the following:

- *Personal*: Family records, budgeting, personal liability, estate information, and financial goals.
- *Investments*: Analysis of investment alternatives and their effect on a client's portfolio.
- *Cash Flow*: Income and spending analysis and planning for past, current, and future years. Regal will illustrate the impact of various investments on a client's current income tax and future tax liability.
- *Retirement*: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- *Death & Disability*: Cash needs at death, income needs of surviving dependents, estate planning, and disability income analysis. Regal gathers required information through in-depth personal interviews.

Regal's financial planning recommendations shall include information pertaining to a client's current financial status, future goals, and attitudes toward risk. Documents supplied by the client, such as trusts, codicils, wills, tax returns, questionnaires concerning financial goals, investment objectives, tolerance for risk, and related information are carefully reviewed to determine a recommended course of action, all of which will be memorialized in a comprehensive written financial plan. As Regal does not provide tax, accounting, or legal advice, clients should consult with their tax, accounting, and/or legal advisors. Although Regal provides investment recommendations within the written financial plan, the client is under no obligation to implement the recommendations, or to utilize Regal's investment advisory services if such Regal recommendations are implemented.

B.7. Retirement Plan Advisory Services

Regal may provide education and support services to pension, 401(k), profit sharing, and similar plans commonly known as ERISA (Employment Retirement Income Security Act) plans. These services include:

- *Employee Education and Support*: For pension, profit sharing, and 401(k) plan clients, Regal provides education and support for plan participants through telephone conversations and in-person group meetings. The investment education will not involve individualized, tailored investment advice or individualized, tailored asset allocation recommendations to the Plan or its Participants.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

D. Wrap Fee Programs

Within the advisory programs listed above, Regal offers several wrap fee program options including:

- RBC Correspondent Advisory Programs:
  - RBC Advisor
  - RBC Consulting Solutions
  - RBC Unified Portfolio (RBC UP)

The RBC Correspondent Advisory Programs are sponsored by RBC Capital Markets, LLC (CRD #31194). The client will be provided the wrap fee brochure from RBC Capital Markets, LLC, where more information can be found regarding these programs.

- Hilltop Securities Advisory Programs:
  - Regal Separately Managed Accounts
  - Regal Fund Strategist Portfolios
  - Regal Unified Managed Accounts
  - Regal Advisor as Portfolio Manager

The Hilltop Securities Advisory Programs are sponsored by Hilltop Securities Inc. (CRD #6220). The client will be provided the wrap fee brochure from Hilltop Securities Inc., where more information can be found regarding these programs.

In a wrap fee program, clients are charged an all-inclusive wrap fee on program assets that covers advisory, execution, custodial, and reporting services on eligible assets. A portion of these fees will be paid to Regal for advisory services.

Clients may incur certain charges imposed by custodians, brokers, third-party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In some cases, a portion of service-related fees (i.e., wire transfer or account transfer fees) may be paid to our affiliated broker dealer, Regal Securities, Inc., to cover processing costs. No portion of these fees are paid to Regal Advisory Services. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Regal's fee, and Regal shall not receive any portion of these commissions, fees, and costs.

E. Client Assets Under Management

As of March 27, 2023, Regal held $33,524,344 in discretionary assets and $58,913,503 in non-discretionary assets.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Regal Discretionary and Non-Discretionary Investment Management (RDIM & RNIM) and Free Form Advisor Fees

Fees are based on the gross market value of the portfolio and a percentage of assets under management and calculated at an annual rate and billed in advance on a quarterly basis except in the case of certain programs offered through the firm's custodian with respect to which fees may be billed in arrears. The maximum annual fee is 2.0% of managed assets, which may be negotiated. The initial program fee will be calculated on the value of the initial assets deposited into the account (valued as of the effective date of the program agreement) and shall cover the initial quarter prorated based on the number of remaining days in such quarter. For Regal's discretionary and non-discretionary investment management services, there are no adjustments for contributions or withdrawals to a client's portfolio for the quarter in which the change occurs except in the case of certain programs offered through third-party sponsors with respect to which fees may be increased on a pro-rata basis for contributions during a calendar quarter.

Please be advised that non-wrap program fees (those where the client pays trading costs in addition to the advisory fee) should, all things being equal, have the same overall net cost to the client as a comparable investment account in a wrap fee program. For example, if a client has a $100,000 investment account and utilizes a non-wrap program for an advisory fee of 1% and pays $250 in additional trading costs, a comparable arrangement on a wrap fee program basis (where the advisory fees include both the trading costs and advisory fee) would be 1.25%. In this way, the client understands the concept of fee parity when comparing wrap vs. non-wrap fee programs. In other words, if comparing a non-wrap program at 2% to a wrap free program at 2%, it would always be in the client's best interest to use the wrap fee in this example. This is not to suggest that actual trading may be more or less active, which could influence the use of a non-wrap program versus a wrap fee program. As a result, it is important to understand that either RBC or the firm has an economic incentive to trade infrequently within a wrap fee program because frequent trading lowers the firm's profitability. It is the client's decision to utilize the specific fee arrangement, and this disclosure is to help the client understand the relationship between the cost components of non-wrap fee programs versus wrap fee programs and the related conflicts of interest.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable from the assets in the account when due, with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Regal may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

Please be advised Regal has an economic incentive to recommend its RDIM/RNIM/Free Form Advisor programs versus the various RBC and HTS wrap fee programs.

A.2. RBC Correspondent Advisory Programs

A.2.a. RBC Advisor

The RBC Advisor Program Fee consists of Regal's advisory fee and the Program Sponsor Fee payable to RBC Capital Markets, Inc. The portion of the Program Fee retained by RBC for advisory services typically ranges from the annual rate of 0.05% to 0.35% of account assets under management. The maximum annual program fee is 2.0% of managed assets, which may be negotiated. Also, please note that any mutual fund classes that pay a 12b-1 or related marketing expense fees shall be reimbursed to the Regal advisory client.

A.2.b. RBC Consulting Solutions

Of the total wrap fee assessed by Regal, RBC retains up to 0.5%, after deducting the manager's investment management fee from the total advisory fee. Please note that RBC deducts an additional 5 basis points (0.05%) from the total wrap fee if it functions as the overlay manager. Certain portfolios within the RBC Consulting Services Program may be eligible for tax overlay management and personal conviction screens (i.e., client-imposed restrictions). This service is 10 basis points (0.10%), as more fully described in the RBC Advisory Services Brochure. Please note that since this program is offered through a wrap program sponsored by RBC, certain fees charged by RBC and the manager are included; therefore, Regal may have an economic incentive to recommend investments and investment programs other than RBC Unified Portfolios because doing so would enhance Regal's profitability. Also, please note that any mutual fund classes that pay 12b-1 or related marketing expense fees shall be reimbursed to the Regal advisory client. The maximum annual program fee is 2.0% of managed assets, which may be negotiated.

A.2.c. RBC Unified Portfolios

In addition to Regal's standard advisory fee, the manager or model provider's fee, RBC deducts an additional 5 basis points (0.05%) from the total wrap fee as an overlay manager. Certain portfolios within the RBC Unified Portfolio Program may be eligible for tax overlay management. This service is 10 basis points (0.10%) as described in the RBC Advisory Services Brochure. Please note that since this program is offered through a wrap program sponsored by RBC, certain fees charged by RBC and the model provider are included; therefore, Regal may have an economic incentive to recommend investments and investment programs other than RBC Unified Portfolios because doing so would enhance Regal's profitability. Also, please note that any mutual fund classes that pay 12b-1 or related marketing expense fees shall be reimbursed to the Regal advisory client. The maximum annual program fee is 2.0% of managed assets, which may be negotiated.

A.3. Hilltop Securities ("HTS") Platform Fees

The HTS Program Fee consists of Regal's advisory fee and the Program Sponsor Fee payable to HTS. The portion of the Program Fee retained by HTS for advisory services typically ranges from the annual rate of 0.10% to 0.20% of account assets under management. The maximum annual program fee is 2.0% of managed assets, which may be negotiated. Also, please note that any mutual fund classes that pay a 12b-1 or related marketing expense fees shall be reimbursed to the Regal advisory client.

A.4. Financial Planning Fees

Financial planning fees will be charged on an agreed upon fixed-fee or on an hourly basis. The fixed fee for a financial plan generally ranges from $1,000 to $10,000, and the hourly fee generally ranges from $100 to $275 per hour, depending on the nature and complexity of the client's circumstances and financial plan. An estimate for the total hours will be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to the client. Regal does not require prepayment of more than $1,200 in fees, six or more months in advance. Typically, the financial plan will be presented to the client within 90 days of the contract date, provided that all of the relevant information needed to prepare the financial plan has been promptly provided by the client. Client may terminate the arrangement at any time, in writing, and will be refunded a portion of the fee based upon a prorated calculation of the time and expense expended by Regal.

Regal offers ongoing financial planning on an annual retainer fee. The fee amount will be determined depending on the nature of the services being provided and the complexity of each client's circumstances, and generally ranges from $5,000 to $10,000 annually. The retainer fee will be billed quarterly. Contracts will be reviewed at each anniversary date to ensure both parties continue to receive value in the relationship. Services include but are not limited to:

- Updating of financial plan each year including a review of your net worth, asset allocation, risk profile, risk management, and estate planning
- Periodic meetings to track goals progress and implementation of planning and investment action items
- Observations and recommendations on financial planning and investment portfolio asset allocation
- Assistance and coordination with client's attorney, accountant, and insurance advisors as needed

The client is advised that fees for financial planning are strictly for financial planning services. Therefore, client may pay fees for additional services obtained such as investment management.

A.5. Retirement Plan Advisory Services

Fees for retirement plan advisory services will be based on total plan assets, with a maximum fee of 0.50%. Fees are charged either in arrears or advance, depending on the terms of our agreement with the Plan. Fees are based on the value of plan assets as of the end of the preceding quarter.

B. Client Payment of Fees

For certain accounts, Regal requires fees to be prepaid on a quarterly basis. Regal requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

Regal will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

A client investment advisory agreement may be canceled at any time by the client, or by Regal with 30 days' prior written notice to the client. Upon termination, any unearned, prepaid fees will be promptly refunded, and any earned, unpaid fees will be immediately due and payable.

C. Additional Client Fees Charged

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Regal may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

C.1. Conflicts of Interest

Regal primarily utilizes its proprietary broker-dealer to establish and maintain advisory accounts. In doing so, Regal is able to access a variety of investment programs, including some that offer certain compensation and fee structures that create conflicts of interest of which clients should be aware. A discussion of some of these conflicts follows, but clients are always encouraged to discuss applicable conflicts, fees, and related matters with their Regal Financial Advisor. Please also refer to Item 12. Brokerage Practices for additional information about these and other conflicts of interest faced by Regal in connection with the services it provides.

C.2. Transaction Fee and Distribution Payment

The management fee clients pay Regal, other than for wrap programs it recommends, does not cover transaction costs incurred as a result of implementing its advice or strategies, such as fees charged by the broker-dealers involved in executing the transactions. Regal Securities, Inc., an introducing broker to RBC and HTS, charges Regal's clients transaction fees that vary based on the type of security transactions effected for its clients' accounts. In its capacity as an introducing broker-dealer to RBC and HTS, Regal's affiliate broker-dealer, Regal Securities, Inc. generally charges a premium on top of RBC's and HTS's base ticket charge which is assessed to clients on a per-transaction basis. Transaction amounts may vary depending on the type of securities being transacted. The transaction fee charged by Regal Securities results in a premium over the direct costs charged by RBC and HTS for the transaction. This structure creates an economic incentive for Regal to recommend that advisory clients establish accounts through Regal Securities, which is an introducing broker to RBC and HTS. In addition, certain types of securities carry transaction costs that may vary by security. For example, individual equities, ETFs, and mutual funds may carry higher per-transaction costs, giving Regal an economic incentive to recommend certain security transaction types over others.

In addition, various other custodial, transaction, and account administration-related fees or charges assessed or received by Regal Securities typically will include assisting with the handling of returned checks, shipping and handling expenses, and account administration and shareholder servicing fees paid in connection with the sale of certain no-transaction-fee ("NTF") mutual funds. Under arrangements between Regal Securities and certain mutual funds or their sponsors, Regal Securities will receive 12b-1 fees or revenue sharing payments from NTF funds. Thus, Financial Advisors are economically incented to recommend that clients establish brokerage accounts through Regal Securities as opposed to advisory relationships and purchase such mutual funds over other funds that do not pay 12b-1 fees to Regal Securities or that make revenue sharing payments to Regal Securities.

C.3. Custodian Investment Programs

Please be advised that a certain number of the firm's investment adviser representatives are registered with Regal Securities, Inc. Under these arrangements, we can access certain investments and programs offered through the broker-dealer that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. As such, the investment adviser representative and/or the firm may have an economic incentive to recommend the purchase of 12b-1 or revenue share class mutual funds offered through the broker-dealer platform rather than from the investment adviser platform.

Limitation on Mutual Fund Universe for Custodian Investment Programs: Please note that as a matter of policy, we rebate revenue share fees from any mutual funds utilized for our advisory clients' portfolios. There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds:
Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not

include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

Additional Disclosure Concerning Wrap Programs: To the extent that we either sponsor or recommend wrap fee programs, please be advised that certain wrap fee programs may (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described in the applicable wrap fee program brochure). Depending on the program utilized, trading costs are absorbed either by RBC, the firm, and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively, the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees borne by the client. Please note though as a policy matter, RBC credits the 12b-1 fee to the applicable client account.

D. External Compensation for the Sale of Securities to Clients

Regal's advisory professionals are compensated primarily through receipt of a portion of the collected client advisory fees. Regal's advisory professionals who are dually licensed with Regal Securities may be paid sales, service, or administrative fees for the sale of mutual funds or other investment products. Regal's advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Investment adviser representatives, in their capacity as a Regal Securities, Inc., registered representative, are prohibited from earning an advisory fee on the securities value transferred from an advisory client's Regal Securities, Inc. brokerage account unless commissions earned on such securities transactions have accreted for some period of time. Please see Item 10.C. for detailed information and conflicts of interest.

If cash is swept into a money market or FDIC fund, Regal Securities will receive a compensation rebate based on the value of money market or FDIC fund. Regal Securities also receives compensation rebates on margin debits, option order routing, and credit balances. Such compensation is exclusive of and in addition to Regal's advisory fee; neither Regal Advisory Services ("RAS") nor any advisors with RAS shall receive any portion of this compensation.

Item 6: Performance-Based Fees and Side-by-Side Management

Regal does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7: Types of Clients

Regal provides portfolio management services to individuals including high net worth individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, and trusts.

For Regal-advised investment management services (RDIM, RNIM, or Free Form), Regal does not have minimum portfolio amounts.

For clients participating in RBC or HTS advisory services programs, please refer to the respective program brochures for minimum account size and minimum fee requirements.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

A. Methods of Analysis and Investment Strategies

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

A.1. Methods of Analysis

Regal uses a variety of sources of data to conduct its economic, investment and market analysis, which may include economic and market research materials prepared by others, conference calls hosted by individual companies or mutual funds, corporate rating services, annual reports, prospectuses, company press releases, financial newspapers, and magazines. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Regal and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assumptions and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, Regal and or its investment advisor representatives may review research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. Regal may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

A.2. Mutual Funds and ETFs, Individual Securities, and Third-Party Separate Account Managers

Regal may recommend "institutional share class" mutual funds and individual securities (including fixed income instruments). Regal may also assist the client in selecting one or more appropriate manager(s) for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that Regal will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

Regal has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

Regal may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

Regal and or its investment advisor representatives may review certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by Regal or its investment advisor representatives on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager (both of which are negative factors in implementing an asset allocation structure).

Regal may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. Regal will endeavor to obtain equal treatment for its clients with funds or managers but cannot assure equal treatment.

Regal or its investment advisor representatives will regularly review the activities of mutual funds and managers utilized for the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

A.3. Material Risks of Investment Instruments

Regal may invest in open-end mutual funds and exchange-traded funds for its clients. In addition, for certain clients, Regal may affect transactions in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Private placements
- Government and agency mortgage-backed securities
- Corporate debt obligations
- Asset-backed securities
- Collateralized obligations
- Real Estate Investment Trusts ("REITs")

A.3.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.3.b. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.3.c. Exchange-Traded Funds ("ETFs")

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs®, DIAMONDS℠, and NASDAQ 100 Index Tracking Stock℠ ("QQQs ℠"). ETFs have embedded expenses that the client indirectly bears.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.3.d. Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

A.3.e. Corporate Debt, Commercial Paper and Certificates of Deposit

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

A.3.f. Municipal Securities

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

A.3.g. U.S. Government Securities

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

A.3.h. Private Placements

Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business or require additional capital to complete another phase in their growth objective. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

A.3.i. Government and Agency Mortgage-Backed Securities

The principal issuers or guarantors of mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, a wholly owned U.S. government corporation within the Department of Housing and Urban Development ("HUD"), creates pass-through securities from pools of government-guaranteed (Farmers' Home Administration, Federal Housing Authority or Veterans Administration) mortgages. The principal and interest on GNMA pass-through securities are backed by the full faith and credit of the U.S. government.

FNMA, which is a U.S. government-sponsored corporation owned entirely by private stockholders that is subject to regulation by the secretary of HUD, and FHLMC, a corporate instrumentality of the U.S. government, issue pass-through securities from pools of conventional and federally insured and/or guaranteed residential mortgages. FNMA guarantees full and timely payment of all interest and principal, and FHMLC guarantees timely payment of interest and ultimate collection of principal of its pass-through securities. Mortgage-backed securities from FNMA and FHLMC are *not* backed by the full faith and credit of the U.S. government.

A.3.j. Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

A.3.k. Asset-Backed Securities

Like mortgages-backed securities, the collateral underlying asset-backed securities are subject to prepayment, which may reduce the overall return to holders of asset-backed securities. Asset-backed securities present certain additional and unique risks. Primarily, these securities do not always have the benefit of a security interest in collateral comparable to the security interests associated with mortgage-backed securities. Credit card receivables are in general unsecured. Debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set-off certain amounts owed on the credit cards, thereby reducing the balance due.

Generally, automobile receivables are secured by automobiles. Most issuers of automobile receivables permit the loan servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the asset-backed securities. In addition, because of the large number of vehicles involved in a typical issuance and the technical requirements under state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in the underlying automobiles. As a result, the risk that recovery on repossessed collateral might be unavailable or inadequate to support payments on asset-backed securities is greater for asset-backed securities than for mortgage-backed securities. In addition, because asset-backed securities are relatively new, the market experience in these securities is limited and the market's ability to sustain liquidity through all phases of an interest rate or economic cycle has not been tested.

A.3.l. Collateralized Obligations

Collateralized mortgage obligations ("CMOs") are collateralized by mortgage-backed securities issued by GNMA, FHLMC or FNMA ("mortgage assets"). CMOs are multiple-class debt obligations. Payments of principal and interest on the mortgage assets are passed through to the holders of the CMOs as they are received, although certain classes (often referred to as "tranches") of CMOs have priority over other classes with respect to the receipt of mortgage prepayments. Each tranche is issued at a specific or floating coupon rate and has a stated maturity or final distribution date. Interest is paid or accrues in all tranches on a monthly, quarterly or semi-annual basis. Payments of principal and interest on mortgage assets are commonly applied to the tranches in the order of their respective maturities or final distribution dates, so that generally no payment of principal will be made on any tranche until all other tranches with earlier stated maturity or distribution dates have been paid in full.

Collateralized debt obligations ("CDOs") include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust that is backed by a diversified pool of high-risk, below-investment-grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

A.3.m. Non-Traded Real Estate Investment Trusts (“REITs”)

A REIT is a tax designation for a corporate entity which pools capital of many investors to purchase and manage real estate. Many REITs invest in income-producing properties in the office, industrial, retail, and residential real estate sectors. REITs are granted special tax considerations which can significantly reduce or eliminate corporate income taxes. In order to qualify as a REIT and for these special tax considerations, REITs are required by law to distribute 90% of their taxable income to investors. REITs can be traded on a public exchange like a stock or be offered as a non-traded REIT. REITs, both public exchange-traded and non-traded, are subject to risks including volatile fluctuations in real estate prices, as well as fluctuations in the costs of operating or managing investment properties, which can be substantial. Many REITs obtain management and operational services from companies and service providers which are directly or indirectly related to the sponsor of the REIT, which presents a potential conflict of interest that can impact returns on investments.

Non-traded REITs include: (i) A REIT that is registered with the Securities and Exchange Commission (SEC) but is not listed on an exchange or over-the-counter market (non-exchange traded REIT); or, (i) a REIT that is sold pursuant to an exemption to registration (Private REIT). Non-traded REITs are generally blind pool investment vehicles. Blind pools are limited partnerships which do not explicitly state their future investments prior to beginning their capital-raising phase. During this period of capital-raising, non-traded REITs often pay distributions to their investors.

The risks of non-traded REITs are varied and significant. Because they are not exchange-traded investments, they often lack a developed secondary market, thus making them illiquid investments. As blind pool investment vehicles, non-traded REITs’ initial share prices are not related to the underlying value of the properties. This is because non-traded REITs begin and continue to purchase new properties as new capital is raised. Thus, one risk for non-traded REITs is the possibility that the blind pool will be unable to raise enough capital to carry out its investment plan. After the capital raising phase is complete, non-traded REIT shares are infrequently re-valued and thus may not reflect the true net asset value of the underlying real estate investments. Non-traded REITs often offer investors a redemption program where the shares can be sold back to the sponsor, however, those redemption programs are often subject to restrictions and may be suspended at the sponsor's discretion. While non-traded REITs may pay distributions to investors at a stated target rate during the capital-raising phases, the funds used to pay such distributions may be obtained from sources other than cash flow from operations, and such financing can increase operating costs.

A.3.n. Alternative Investments

Alternative investments may be recommended to clients who have little or no need for liquidity from such investments and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and lack of a public trading market create higher liquidity risk, and such investments should be viewed as long-term investments that are illiquid. Some alternative investments, including private placements, are exempt from registration under federal securities laws so clients do not typically have access to public information, and the securities purchased are deemed restricted, are not traded on a secondary market or exchange, and may have limited redemption windows; thus, the instrument is illiquid. Fees and expenses may be a higher percentage of net assets than traditional investment strategies and may include performance or incentive fees. The duration of alternative investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. Some alternative investments have limited or no transparency as to the underlying investments, and may be available only to "accredited" or "qualified investors," who are assumed to be sophisticated purchasers who have little or no need for liquidity from these investments. Alternative investments are complex products, and managers may invest in a wide variety of investments, including derivatives, and utilize leverage or short selling. Understanding complex investment strategies require more upfront and ongoing due diligence. The information contained in this ADV is not an exclusive list of potential or actual risks in any alternative product. Potential investors in alternative investments should review the specific offering documents for more complete details, including an in-depth review of risk factors and fees.

B. Investment Strategy and Method of Analysis Material Risks

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

B.1. Margin Leverage

Although Regal, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in rare circumstances, Regal will utilize leverage. In this regard, please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control $2 of a security for $1. So if the price of a security rises by $1, the investor earns a 100% return on their investment. Conversely, if the security declines by $.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.2. Short-Term Trading

Although Regal, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3. Short Selling

Regal generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is affected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be affected at a significantly lower price. The primary risks of affecting short sales are the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.4. Technical Trading Models

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

B.5. Option Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is generally worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

Regal as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Option spreading
- Short call option strategy
- Short put option strategy
- Equity collars
- Long straddles

B.5.a. Covered Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.5.b. Long Call Option Purchases

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.5.c. Long Put Option Purchases

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

B.5.d. Option Spreading

Option spreading usually involves the purchase of a call option and the sale of a call option at a higher contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to be exposed to the general market characteristics of a security without the outlay of capital to own the security, and to offset the cost by selling the call option with a higher contract strike price. In this type of transaction, the spread holder "locks in" a maximum profit, defined as the difference in contract prices reduced by the net cost of implementing the spread. There are many variations of option spreading strategies; please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

B.5.e. Short Call Option Strategy

Short call option strategy is highly speculative and has theoretical potential for unlimited loss. The seller (writer) of the call option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain below the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security increase above the contract strike price, then the option writer can either purchase the call option at a loss, or through a process of exercise and assignment be forced to sell the stock at the contract strike price. If this happens, the option writer will have to go in the open market and buy an equivalent amount of stock to cover the sale at prices that can be materially higher than the amount received from the sale.

B.5.f. Short Put Option Strategy

Short put option strategy is highly speculative and has theoretical potential for significant loss. The seller (writer) of the put option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain above the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security decrease below the contract strike price, the option writer can either purchase the put option at a loss, or through a process of exercise and assignment be forced to buy the stock at the contract strike price. If this happens, the option writer will be purchasing the underlying security at a price potentially well above its then-current market value, exposing the investor to potential loss.

B.5.g. Equity Collar

A collar combines both a cap and a floor. A cap gives the purchaser of the cap the right (for a premium payment), but not the obligation, to receive the difference in the cost on some amount when a specified index rises above the specified "cap rate." A floor is the opposite of a cap—it gives the purchaser of the floor the right (for a premium payment), but not the obligation, to receive the difference in interest payable on an amount when a specified index falls below the specified "floor rate." A collar involving stock is called an "equity collar." In a collar transaction, the buyer of the collar purchases a cap while selling a floor indexed to the same rate or asset. A zero-cost collar results when the premium earned by selling a floor exactly offsets the cap premium.

B.5.h. Long Straddle

A long straddle is the purchase of a long call and a long put with the same underlying security, expiration date and strike price. This is a speculative trade that may be profitable when volatility is high and will result in a loss when prices of the underlying security are relatively stable.

C. Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

It is Regal's policy to disclose to its clients and prospective clients all facts that might be material to an evaluation of Regal's integrity. Although Regal has not been the subject of any material legal or disciplinary events, Regal voluntarily discloses the following regulatory actions against its affiliated broker-dealer, Regal Securities, Inc.:

- On December 21, 2016, Regal Securities, Inc. signed a Letter of Acceptance, Waiver and Consent with FINRA, for the purpose of proposing a settlement of alleged rule violations regarding deficiencies in Regal Securities' supervisory program regarding identifying and responding to red flags regarding a previously prohibited outside business activity. Regal Securities received a censure and paid a fine to FINRA in the amount of $25,000. As a result, Regal Securities has enhanced existing and implemented additional procedures to augment the supervisory system.
- On September 21, 2017, Regal Securities, Inc. signed a Letter of Acceptance, Waiver and Consent with the state of Arkansas Securities Division regarding the same alleged rule violation addressed by FINRA on December 21, 2016. As a result, Regal Securities was ordered to pay a civil penalty to Arkansas in the amount of $25,000 and a disgorgement of $11,879.31 for trade commissions earned through the brokerage accounts at Regal Securities. As noted above, Regal Securities has enhanced existing and implemented additional procedures to augment the supervisory system.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Regal is not registered as a broker-dealer, but its affiliate Regal Securities, Inc., is a registered broker-dealer. Certain Regal professionals are registered with Regal Securities. As a result, such professionals are subject to the oversight of Regal Securities and the Financial Industry Regulatory Authority, Inc. ("FINRA"). As such, clients of Regal should understand that their personal and account information is available to FINRA and Regal Securities personnel in the fulfillment of their oversight obligations and duties.

Regal professionals who effect transactions for advisory clients may receive transaction or commission compensation from Regal Securities. The recommendation of securities transactions for commission creates a conflict of interest in that Regal is economically incentivized to effect securities transactions for clients. Please note our disclosure in Item 5 of this brochure in regard to ticket charge premiums charged by Regal Securities. Although Regal strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of Regal rather than in the client's best interest. Regal advisory clients are not compelled to effect securities transactions through Regal Securities.

B. Futures or Commodity Registration

Neither Regal nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

C.1. Regal Securities, Inc.

Regal Securities, Inc. is a FINRA registered broker-dealer and an affiliate of Regal. Regal and its related persons may be licensed through Regal Securities and be compensated on a transaction fee basis through commissions. In this regard, such Regal Securities registered persons may have an economic incentive to recommend securities transactions through such affiliate broker-dealer.

If cash is swept into a money market or FDIC fund, our affiliated broker-dealer, Regal Securities, will receive a compensation rebate based on the value of money market or FDIC fund. Regal Securities also receives compensation rebates on margin debits, option order routing, and credit balances. Such compensation is exclusive of and in addition to Regal's advisory fee; neither Regal nor any advisors with Regal shall receive any portion of this compensation.

Regal clients, in some situations, may pledge their advisory account custodied at Regal Securities / RBC as collateral for a line of credit through an RBC affiliate. The line of credit is secured by the value of the eligible securities in the account and the account is pledged as collateral. This is offered through an affiliated partner of RBC, RBC Global Private Banking (GPB). Regal Securities receives a rebate on non-negotiated lines of credit per our clearing agreement. Interest rates for the client are based on the SOFR Neither Regal nor any of its investment advisors will receive any of these rebates if they occur.

Regal Securities is also a licensed insurance agency. For those advisory clients who wish to use insurance products to attain their goals, Regal Securities can process insurance transactions if the advisor is appropriately licensed and has the appropriate Errors and Omissions (E&O) insurance. Regal advisory clients are under no obligation to purchase any recommended insurance products.

C.2. Insurance Sales

Certain officers, directors, and registered employees of Regal are licensed insurance agents and may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a conflict of interest in that there is an economic incentive to recommend insurance and other products of such carriers. Please also be advised that Regal strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with Regal's employing broker-dealer.

C.3. CPAs/Accountants

Certain Regal IARs are separately licensed as CPAs that provide accounting services. These services are not affiliated with Regal, and Regal clients are under no obligation to purchase any accounting service.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Although Regal may recommend third-party money managers, it does not receive any form of referral or solicitor compensation from the third-party money manager or client.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics Description

In accordance with the Advisers Act, Regal has adopted policies and procedures designed to detect and prevent insider trading. In addition, Regal has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of Regal's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of Regal. Regal will send clients a copy of its Code of Ethics upon written request.

Regal has policies and procedures in place to ensure that the interests of its clients are given preference over those of Regal, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Regal in limited circumstances may engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Regal does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Regal, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which Regal specifically prohibits. Regal has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Regal's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Regal, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may affect securities transactions for their own accounts that differ from those recommended or effected for other Regal clients. Regal will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of Regal to place the clients' interests above those of Regal and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

A.1. Custodian Recommendations

Regal requires that clients establish brokerage accounts with its affiliate Regal Securities, Inc. (hereinafter “custodian”), a FINRA registered broker-dealer, member SIPC, a fully disclosed introducing broker through RBC Capital Markets, LLC, and Hilltop Securities, Inc. For Regal client accounts maintained in its custody, Regal Securities generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

Not all advisers require their clients to direct brokerage. Trades executed through Regal Securities will be charged transaction fees. Regal Securities may receive a portion of the transaction fees based on the volume of trading. For broker-dealer services, Regal will not receive compensation for such transactions, where such compensation is separate and distinct from Regal’s compensation related to its investment advisory services. Commissions paid for broker-dealer services may be higher or lower than those paid by other brokers.

A.1.a. RBC Capital Markets, LLC (“RBC”) and Hilltop Securities, Inc. (“HTS”)

Client accounts will be custodied at Regal Securities, Inc., an introducing broker through RBC and HTS. RBC or HTS will maintain custody of clients’ assets and clear trades for their accounts. Regal is independently owned and operated and not affiliated with RBC and HTS. Regal does assist clients in selecting other investment advisors through the RBC and HTS sponsored wrap fee programs. RBC and HTS ensure other investment advisors participating in their wrap fee programs are appropriately licensed. Prior to referring clients to any other investment advisor outside of the wrap programs, Regal will ensure the other advisor is licensed. Please be advised Regal has an economic incentive to recommend its RDIM/RNIM/Free Form Advisor programs versus the various RBC and HTS wrap fee programs. In addition, Regal has an economic incentive to recommend the Free Form Advisor program through HTS over the RDIM and RNIM programs through RBC because Regal Securities, Inc. earns a higher per-ticket charge.

A.1.b. Third-Party Money Managers

Regal is generally not involved in the day-to-day decisions or placements of individual securities transactions that are managed by third-party money managers. The money managers are required by law to use their best efforts to place orders for purchase and sale of securities and select broker-dealers to affect these transactions under the terms most favorable to the clients under the circumstances. Among the criteria which Regal reviews in the selection and retention of third-party money managers are their policies and stated practices regarding the selection of broker-dealers and place of the client’s transactions, including its Best Execution policy, but Regal does not directly monitor such activity.

A.1.c. Soft Dollar Arrangements

Regal does not utilize soft dollar arrangements. Regal does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.d. Institutional Trading and Custody Services

The custodian provides Regal with access to its institutional trading and custody services, which are typically not available to the custodian’s retail investors. The custodian’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

A.1.e. Other Products and Services

Custodian also makes available to Regal other products and services that benefit Regal but may not directly benefit its clients’ accounts. Many of these products and services may be used to service all or some substantial number of Regal's accounts, including accounts not maintained at custodian. The custodian may also make available to Regal software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of Regal’s fees from its clients’ accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help Regal manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of Regal personnel. In evaluating whether to recommend that clients custody their assets at the custodian, Regal may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

A.1.f. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to Regal. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Regal.

A.1.g. Additional Compensation Received from Custodians

Regal may participate in institutional customer programs sponsored by broker-dealers or custodians. Regal may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between Regal's participation in such programs and the investment advice it gives to its clients, although Regal receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (which may be provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving Regal participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Regal by third-party vendors

The custodian may also pay for business consulting and professional services received by Regal's related persons and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for Regal's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit Regal but may not benefit its client accounts. These products or services may assist Regal in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Regal manage and further develop its business enterprise. The benefits received by Regal or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

Regal may participate in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require Regal to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Regal will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by Regal's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for Regal's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, Regal endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Regal or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Regal's recommendation of broker-dealers for custody and brokerage services.

A.2. Brokerage for Client Referrals

Regal does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

Occasionally, clients may direct Regal to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Regal derives from aggregating transactions. Such client trades are typically affected after the trades of clients who have not directed the use of a particular broker-dealer. Regal loses the ability to aggregate trades with other Regal advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

Regal, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. Regal recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. Regal will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is affected
- The ability to affect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to affect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts

- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, Regal seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades. To the best of Regal's knowledge, these custodians provide high-quality execution, and Regal's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to affect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, Regal believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.1.a. Transaction Fee & Distribution Fee Conflicts of Interest

The management fee clients pay to Regal, other than for wrap fee programs it recommends, does not include execution charges, such as custodian transaction fees. Through our arrangement with Regal Securities, advisory clients, other than for NTF funds, are charged a ticket charge for each securities transaction, which includes a premium added by Regal to RBC's and HTS' standard transaction charges. Since the amount of RBC's and HTS' portion of the total ticket charge will vary depending on the type of security and because Regal Securities retains the balance, Regal has economic incentives to recommend securities for which Regal Securities retains a higher percentage of the total ticket charge, to increase the number of trades in client accounts, and to recommend that clients utilize Regal Securities.

Although we believe that the transaction fees are reasonable in light of the overall services Regal Securities provides, clients may be able to obtain lower transaction fees through another broker-dealer. In any event, clients will incur brokerage and other transaction costs, which may be higher or lower than those charged by other firms.

Regal may recommend mutual funds to advisory clients that may pay continuing 12b-1 fees to Regal. To the extent mutual funds with embedded 12b-1 or similar distribution expenses are recommended for advisory accounts, Regal will rebate the 12b-1 fees incurred in advisory clients' accounts. Regal endeavors to use institutional and advisory share classes where available.

In addition, various other custodial, transaction, and account administration-related fees or charges assessed or received by Regal Securities typically will include assisting with the handling of returned checks, shipping and handling expenses, and account administration and shareholder servicing fees paid in connection with the sale of certain no-transaction-fee ("NTF") mutual funds. Under arrangements between RBC, HTS and certain mutual funds or their sponsors, Regal Securities will receive 12b-1 fees or revenue sharing payments from NTF funds. Thus, Financial Advisors are economically incentivized to recommend that clients establish brokerage accounts through Regal Securities as opposed to advisory relationships and purchase such mutual funds over other funds that do not pay 12b-1 fees to Regal Securities or that make revenue sharing payments to Regal Securities.

Regal may utilize other custodial platforms. Please be mindful that services may vary by custodian and certain of such services may benefit Regal versus its clients.

B.2. Security Allocation

Since Regal may be managing accounts with similar investment objectives, Regal may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Regal in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

Regal's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. Regal will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Regal's advice to certain clients and entities and the action of Regal for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of Regal with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of Regal to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Regal believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Regal acts in accordance with its duty to seek best price and execution and will not continue any arrangements if Regal determines that such arrangements are no longer in the best interest of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Regal investment advisor representative (“IARs”) are responsible for performing an internal quarterly review of their accounts and for consulting with their clients at least annually. Triggering factors that may prompt an account review include, but are not limited to, the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. Accounts may also be subject to a secondary review by a designated supervisor. Such supervisory reviews will be done on a periodic basis, not less than annually. The supervisor will oversee the selected accounts for the same triggering factors as mentioned above.

Financial planning clients receive their financial plans and recommendations at the time service is completed. There are no post-plan reviews unless engaged to do so by the client.

B. Review of Client Accounts on Non-Periodic Basis

Regal may perform ad hoc reviews on an as-needed basis if there have been material changes in the client’s investment objectives or risk tolerance, or a material change in how Regal formulates investment advice.

C. Content of Client-Provided Reports and Frequency

Regal reports to the client on a quarterly basis or at some other interval agreed upon with the client, information on contributions and withdrawals in the client's investment portfolio.

The client’s independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian’s statement is the official record of the client’s securities account and supersedes any statements or reports created on behalf of the client by Regal.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Regal may benefit from certain direct and indirect forms of compensation in connection with the sale of investment products and services provided through its broker-dealer or investment advisor platforms. This presents a conflict of interest as it creates an incentive to provide recommendations (platform or investment products) based on the potential compensation received rather than on a client's needs.

Clients should be aware of, and consider, conflicts of interest related to direct and indirect forms of compensation and benefits Regal and our investment adviser representatives ("IARs") may receive in the provision of its financial services. As described in Item 11 above, Regal maintains a Code of Ethics and policies and procedures that are designed to ensure our Representatives act in the best interest of clients at all times. IARs are limited in their ability to receive both an advisory fee and asset-based sales compensation or commissions, and we closely monitor our IARs' sales practices and all forms of direct and indirect compensation received to ensure they act in compliance with our policies and procedures, industry standards, and all securities laws, rules and regulations governing sales compensation practices.

B. Advisory Firm Payments for Client Referrals

Regal does not pay for client referrals.

Item 15: Custody

Regal is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets.
- As a matter of policy, Regal does not allow standing instructions for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires) unless prior approval is given as an exception to the policy. The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
    1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
    2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
    3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
    4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
    5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
    6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
    7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

Clients may grant a limited power of attorney to Regal with respect to trading activity in their accounts. In those cases, Regal will exercise full discretion as to the nature and type of securities to be purchased and sold and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, Regal may be granted discretionary authority for the retention of independent third-party investment management firms. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable third-party manager's disclosure brochure for detailed information relating to discretionary authority.

Item 17: Voting Client Securities

Regal does not take discretion with respect to voting proxies on behalf of its clients. Regal will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of Regal supervised and/or managed assets. In no event will Regal take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, Regal will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Regal has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Regal also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Regal has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Regal receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18: Financial Information

A. Balance Sheet

Regal does not require the prepayment of fees of $1,200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

Regal does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

Regal has not been the subject of any bankruptcy proceeding.