

## TAX OVERLAY SERVICE FEATURE SUPPLEMENT

**You are receiving this Feature Supplement because you recently enrolled an Advisory Account in Tax Overlay Service, as a feature to your Eligible Advisory Account.**

The terms and conditions of your previously executed Master Tax Overlay Service Agreement (“MTOSA”), as may be amended from time to time, govern any and all Enrolled Accounts in the Tax Overlay Service. This Feature Supplement highlights certain terms and risks of the Tax Overlay Service feature for your review and acceptance. See *Risks Related to Tax Overlay Service* in the MTOSA. If any terms or conditions contained in the MTOSA, including but not limited to those highlighted herein, are not acceptable to you, you must contact your financial advisor immediately to terminate the Tax Overlay Service. If you continue to accept the Tax Overlay Service with respect to any Enrolled Account, Adviser and RJA will deem that you have consented to all applicable terms and conditions contained in the MTOSA for each Enrolled Account and reviewed applicable disclosures in RJA’s Disclosure Document available at [www.raymondjames.com/legal-disclosures](http://www.raymondjames.com/legal-disclosures). You can access a copy of the MTOSA at [www.raymondjames.com/maa](http://www.raymondjames.com/maa) or request a copy from your financial advisor. *Any capitalized term not defined herein shall have the meaning ascribed to it in the MTOSA.*

### TAX OVERLAY SERVICE SELECTION OPTIONS

The Tax Overlay Service is an optional account feature that you have selected for your Enrolled Account(s). The Tax Overlay Service is available in three different variations: (i) tax-loss harvesting applied to an Enrolled Account with no Transition Period involved (which appears on your Advisory Feature Summary as “Tax Overlay Service”); (ii) tax-loss harvesting applied to an Enrolled Account through a Transition Period only, meaning the Enrolled Account is then disenrolled once the Transition Period is complete (“Tax Overlay Service through Transition Period Only”); and (iii) tax-loss harvesting applied to an Enrolled Account through a Transition Period that then continues to be in effect on that Enrolled Account once the Transition Period is complete (“Tax Overlay Service with Transition Period”). ***You have selected the variation noted with your Account details under the “Existing Advisory Accounts • New Details and Features” or the “New Advisory Accounts • Details and Features” pages, as applicable, enclosed herein.***

Based on your enrollment of a particular Advisory Account in the Tax Overlay Service, you authorize AMS to implement the Trade List upon receipt of the Trade List, as provided by TLD Provider without consideration by AMS, RJA, or its affiliates of how the trades will affect the performance of your Account, other accounts you may have, your overall tax liability, or any resulting deviation from your selected strategy or discipline that may result from the transactions.

AMS retains discretionary investment authority over your Enrolled Account pursuant to your advisory account agreement (as defined in the MTOSA), and manages the Enrolled Account consistent with the strategy or discipline selected and subject to any applicable investment restrictions, and the requirements of the Tax Overlay Service. In electing Tax Overlay Service, you assume the risks of loss and/or deviation from the selected Target Model Portfolio associated with AMS implementing the Trade Lists as provided by TLD Provider.

### TAX OVERLAY SERVICE FEE

The Tax Overlay Service and the Tax Overlay Service Fee are separate and apart from the investment advisory services Adviser and AMS provide to your Advisory Account and the Advisory Account Fee, respectively. Both the Tax Overlay Service Fee and the Advisory Account Fee will be assessed to each Enrolled Account, and RJA will not reduce or offset your Advisory Account Fee by the amount of the Tax Overlay Service Fee. You will be assessed the Tax Overlay Service Fee for any Enrolled Account on the total Account Value regardless of whether any tax-loss harvesting opportunities materialize in the Enrolled Account and regardless of what portion of the Enrolled Account is invested in the Target Model Portfolio during a Transition Period. ***The Tax Overlay Service Fee rate that will be applied to your Enrolled Account(s) for the Tax Overlay Service is indicated on the “Existing Advisory Accounts • New Details and Features” or the “New Advisory Accounts • Details and Features” page, enclosed herein.***

### TAX-LOSS CLIENT DATA

***You have provided the Tax-Loss Client Data for your Enrolled Account detailed under the “Existing Advisory Accounts • New Details and Features” or the “New Advisory Accounts • Details and Features” pages, as applicable, enclosed herein.*** The Tax Overlay Service relies on information you have provided. To the extent you fail to provide or update your Tax-Loss Client Data, including but not limited to any applicable carryover losses, or reset your Tax Budget as applicable, you understand the Tax Overlay

Service may not yield the intended tax result, and for Enrolled Accounts involving a Transition Period, you may remain in transition and continue to pay the Tax Overlay Service Fee for an extended period of time. Please contact your IAR immediately if the Tax-Loss Client Data detailed for your Enrolled Account needs to be corrected or updated.

#### **DEVIATIONS FROM SELECTED STRATEGY/DISCIPLINE AND OTHER RISKS**

The Tax Overlay Service prioritizes the realization of tax losses and the minimization of realized gains in your Enrolled Account and as a result, Enrolled Accounts (i) will at times deviate from your selected strategy/discipline, in some cases significantly; (ii) have an increased risk of loss as they may not receive the full benefit of securities transactions and/or rebalancing; and (iii) may have impaired performance or performance that materially differs from accounts in that same strategy/discipline or advisory program that are not enrolled in the Tax Overlay Service.

For Tax Overlay Service involving a transition, your Enrolled Account will not be fully aligned with or invested in the Target Model Portfolio during the Transition Period and therefore will materially differ from other accounts in the Target Model Portfolio. The Tax Overlay Service will be applied without consideration of the percentage the Enrolled Account is invested in Replacement Securities. Enrolled Accounts can be up to 100% invested in Replacement Securities at any given time increasing the tracking error from the Target Model Portfolio.

While Replacement Securities are intended to be a reasonable replacement with comparable investment indicia to sold securities, the performance of the Replacement Securities will not be the same as the sold securities. In addition, the increased trading activity associated with the Tax Overlay Service may result in increased volatility.

#### **TAX BENEFIT NOT GUARANTEED**

Specific tax results are not guaranteed. AMS is not required to harvest all tax losses in your Enrolled Account. AMS has the discretion to determine that execution of a sale indicated on a Trade List is inadvisable or otherwise not practicable. Further, in managing the Enrolled Account consistent with the strategy or discipline selected, AMS may trigger taxable gains, which can be significant.

Any potential tax benefit resulting from Tax Overlay Service may be cancelled or offset by the capital losses and/or missed capital gains that may also result.

Transactions executed pursuant to a withdrawal request could result in capital gains and may have tax consequences. Additionally, in Tax Overlay Service that involves a transition, transactions executed pursuant to a withdrawal request could result in significant gains realized and exceed or offset your Tax Budget partially or completely.

Tax Overlay Service is account specific; therefore, wash sale violations may not be preventable across multiple accounts. While Tax-Loss Client Data for any specific Enrolled Account may include information regarding other assets and accounts, e.g., carryover losses and capital gains and losses in other accounts, this information will be considered only as it relates to the Enrolled Account and not across multiple accounts, even if the other accounts are also Enrolled Accounts. Wash sale rules apply to transactions not only in the Enrolled Account, but also to transactions in other accounts held by you, your spouse, and certain related parties, regardless of whether such accounts are held with RJA and its affiliates or other financial institutions. The Tax Overlay Service will not consider trading in these other accounts. It is your responsibility to monitor your accounts to identify any wash sales and you are responsible for all tax liabilities attributable to the disallowance of any losses pursuant to the wash sale rules.

Termination of any Advisory Account enrolled in Tax Overlay Service will result in the termination of the Tax Overlay Service feature for that Account. Upon termination, the Advisory Account will no longer be assessed the associated Tax Overlay Service Fee, and any prepaid Tax Overlay Service Fee will be refunded. You understand and acknowledge that termination of an Advisory Account enrolled in Tax Overlay Service may result in certain securities being liquidated without regards to tax consequences.

The Tax Overlay Service does not constitute a complete tax-sensitive management program and neither Adviser, nor any Raymond James entity, nor their affiliates are in the business of providing tax advice or guarantees that the Tax Overlay Service will produce a particular tax result.