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Park Avenue Securities Trade Away Disclosure



1. Important information about placement of client trade orders and “step out trading” practices.

This document provides information regarding “step out trading” also known as “trading away” practices for clients who are participating in, or are considering participating in, the Park Avenue Strategist Select/Strategist Select Plus and Park Avenue UMA/SMA Select wrap fee programs (“the Programs”) sponsored by Park Avenue Securities LLC (“PAS”). PAS has contracted with Envestnet Asset Management (“Envestnet”), a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser, to provide a platform which allows PAS clients to efficiently connect through the Programs with third-party asset managers referred to as Investment Managers or Strategists. The Investment Managers or Strategists create and manage model portfolios administered by Envestnet, who provides overlay management.

2. Frequently asked questions about “trading away” and “step out” trading for wrap program account clients.

a. What does it mean when a security transaction is “traded away” or “stepped out” from PAS Programs?

For all programs offered through PAS, Pershing LLC provides trade execution, clearing and custody services to PAS via a Fully Disclosed Clearing Agreement. When Envestnet, Investment Managers or Strategists place trade orders with a broker-dealer firm other than Pershing, the resulting transactions are commonly referred to as “trade away” or “step out” transactions because they are done away from Pershing and the Envestnet platform.

Strategists or Investment Managers can execute step out transactions for equity securities, including American Depositary Receipts (“ADRs”), and for fixed income securities.

b. Do wrap account clients incur additional costs when their Strategist or Investment Manager executes trades away from the Envestnet platform?

Yes, but with some exceptions. Trade away transactions sometimes incur additional costs, such as commissions or mark-ups/downs, which are in addition to the Program fees. Trade away costs are often imbedded in the execution prices that clients ultimately pay and are not shown separately on confirmations or statements.

Prior to selecting a Strategist or Investment Manager, we recommend that clients ask their Financial Professional for information regarding trade away practices and whether the client may bear any additional costs. Additionally, clients can review the Form ADV Part 2A Brochure for each Strategist or Investment Manager to find more information regarding their brokerage practices.

c. How much added costs can I expect to pay?

Costs vary by Strategist or Investment Manager and the type of trade but can range between \$0.00079–\$0.05 per share for equity transactions. Costs for fixed income and ADR trade away transactions are typically higher due a variety of factors, including liquidity of the securities involved, and access to brokers or inventory portals.

In addition, ADR trade away transactions are subject to share conversion fees.

Please note that some Strategists and Investment Managers do not pass on additional trade away costs to clients. As noted above, PAS recommends that clients discuss with their Financial Professional the selected Strategist or Investment Manager's trade away practices to better understand how often the Strategist or Investment Manager engages in trading away and how the Strategist or Investment Manager seeks to ensure that clients receive best execution for those transactions.

d. Why would my Strategist or Investment Manager direct trades away from Envestnet if it may incur additional fees and costs?

There may be several reasons why a Strategist or Investment Manager would use another platform for the execution of transactions away from Envestnet. For example, a Strategist or Investment Manager may select another platform to aggregate orders for operational efficiencies, to access new issues or specialized securities, to obtain best execution or to receive research (or other services) in connection with "soft dollar" arrangements.

e. What is meant by "Best Execution?"

Best Execution refers to using reasonable diligence to obtain the most favorable execution price under the circumstances at the time the trade is placed. Strategists or Investment Managers are always required to seek the best execution for their clients' orders. Although Strategists or Investment Managers generally seek competitive commission rates, they are not required to always pay the lowest commission available. Transactions that involve specialized brokerage services may result in higher commission rates than would be the case with more routine transactions. In addition, a Strategist or Investment Manager may pay higher commission rates to brokers whose execution abilities are consistent in obtaining best execution and whose brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results based upon the manager's assessment.

f. Does PAS have any input as to when my Strategist or Investment Manager may trade away?

No. PAS does not discourage or restrict a Strategist or Investment Manager's ability to trade away. Each Strategist or Investment Manager is solely responsible for its own trading practices, and for ensuring that its trading practices meet its fiduciary duty to seek best execution for all client orders.

g. What role does PAS play in this process?

As sponsor of the Programs, PAS seeks to understand each Strategist or Investment Manager's trade away practices, to determine when and to what extent a Strategist or Investment Manager engages in trade away transactions, and to collect on a best-efforts basis each Strategist or Investment Manager's estimate of trade away costs. Please note that Strategists or Investment Managers that have not historically engaged in trading away may elect to do so in the future.

We disclose to clients that their Strategist or Investment Manager can "trade away" and when a selected Strategist or Investment Manager engages in these practices, that the client will likely bear additional costs. As mentioned above, it is the responsibility of each Strategist or Investment Manager to determine when it will "trade away" and whether it will pass on costs, fees, mark ups/downs or other charges.

3. Step-out Trading information for Envestnet

Calendar Years 2021 & 2022

The information provided below is based solely on information provided to PAS by Envestnet. PAS has not independently verified the information, and as a result, PAS does not make any representation as to the accuracy of any such information.

The information shown below contains information about strategies that Envestnet, acting as overlay manager, traded away in PAS accounts from January 1, 2021, through December 31, 2022. Envestnet's past step-out trading practice is not indicative of future practices. It is possible that Envestnet will trade away different strategies, trade away more frequently or at higher cost in the future. Thus, a client's trading costs relating to step out trades could be greater or less than shown below.

In the following table the percent of client trades stepped out is presented along with the additional cost for each Investment Strategy that traded away. Additional cost is expressed as a range of cents per share for equity trades and dollars per trade for fixed income trades. In situations where the executing broker executed a trade as principal, such as "risk" trades and working orders, the price the client received could include a markup or markdown, which is not required to be disclosed by the broker-dealer, and consequently is not included in the additional costs.

Portfolio Management Consultants (PMC) is the portfolio consulting group of Envestnet Asset Management.

This data was compiled to the best of our ability given system constraints and limitations and the information disclosed to us by Envestnet as well as the third-party asset managers to Envestnet.

Note: This disclosure lists only Investment Strategies with an additional charge for step out trades during the two-year time period. Investment Strategies not listed either did not trade away or did not pass additional costs onto clients for step out trades during the time period.

<u>Step-out Trading Information for Envestnet</u> <u>Investment Strategy</u>	<u>Percent of Client Trades Stepped Out</u>		<u>Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
BlackRock 30/70 Target Allocation Tax-Aware ETF Portfolio	25%	49%	0.0001356-0.0006	0 - 0.01
BlackRock Multi-Asset Income MF/ETF Moderate Portfolio	26%	34%	0.0002948-0.006	0 - 0.01
BlackRock 10/90 Target Allocation ETF Portfolio	50%	62%	0.0007439 - 0.01	0 - 0.01
BlackRock 10/90 Target Allocation Tax-Aware ETF Portfolio	25%	0%	0.0001356-0.0006	0
BlackRock 20/80 Target Allocation ETF Portfolio	67%	68%	0.002948-0.01; \$15-76.60	0 - 0.01
BlackRock 20/80 Target Allocation Tax-Aware ETF Portfolio	31%	46%	0.0001356-0.01	0 - 0.01
BlackRock 30/70 Target Allocation ETF Portfolio	71%	71%	0.002948-0.01	0 - 0.01
BlackRock 40/60 Global Allocation (GA) Selects Portfolio	<1%	12%	0.0002948-0.006	0 - 0.005
BlackRock 40/60 Global Allocation (GA) Selects Tax Aware Portfolio	1%	9%	0.0007439 - 0.006	0 - 0.008
BlackRock 40/60 Target Allocation ETF Portfolio	72%	77%	0.0001356-0.01	0 - 0.01
BlackRock 40/60 Target Allocation Tax-Aware ETF Portfolio	36%	45%	0.0001356-0.01	0 - 0.01

Step-out Trading Information for Envestnet Investment Strategy	Percent of Client Trades Stepped Out		Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades	
	2021	2022	2021	2022
BlackRock 50/50 Target Allocation ETF Portfolio	72%	78%	0.0001356-0.01; \$15.00-43.00	0 - 0.01; \$15 - \$22.05
BlackRock 50/50 Target Allocation Tax-Aware ETF Portfolio	21%	37%	0.0001356-0.0006	0 - 0.01
BlackRock 60/40 Target Allocation ESG ETF Portfolio	41%	58%	0.0001404-0.006	0 - 0.00247
BlackRock 60/40 Target Allocation ETF Portfolio	75%	79%	0.0001356-0.01; \$0-23.70	0 - 0.01
BlackRock 60/40 Target Allocation Tax-Aware ETF Portfolio	19%	40%	0.0001356-0.01	0 - 0.01
BlackRock 70/30 Target Allocation ETF Portfolio	72%	79%	0.0001237-0.01	0 - 0.01
BlackRock 70/30 Target Allocation Tax-Aware ETF Portfolio	19%	38%	0.0001356-0.01	0 - 0.01
BlackRock 80/20 Global Allocation (GA) Selects Portfolio	2%	12%	0.0007439 - 0.006	0 - 0.008
BlackRock 80/20 Target Allocation ESG ETF Portfolio	35%	54%	0.002948-0.01	0 - 0.0048
BlackRock 80/20 Target Allocation ETF Portfolio	73%	78%	0.0001356-0.01	0 - 0.01
BlackRock 80/20 Target Allocation Tax-Aware ETF Portfolio	18%	36%	0.0001356-0.01	0 - 0.01
BlackRock 90/10 Target Allocation ETF Portfolio	67%	73%	0.0001356-0.01;\$15.00-21.47	0 - 0.01
BlackRock 90/10 Target Allocation Tax-Aware ETF Portfolio	14%	32%	0.0001356-0.01	0 - 0.01
BlackRock Equity Target Allocation ESG ETF Portfolio	27%	49%	0.0007439 - 0.006	0 - 0.00247
BlackRock Equity Target Allocation ETF Portfolio	59%	68%	0.002948-0.01	0 - 0.01
BlackRock Fixed Income Target Allocation ETF Portfolio	48%	49%	0.0001356-0.006	0 - 0.01
Blackrock Multi-Asset Income ETF Conservative Portfolio	16%	36%	0-0.0002948	0 - 0.01
Blackrock Multi-Asset Income ETF Growth Portfolio	15%	24%	0.0002948-0.006	0 - 0.01
Blackrock Multi-Asset Income ETF Moderate Portfolio	21%	38%	0.0002948-0.006	0 - 0.01
BlackRock Multi-Asset Income MF/ETF Conservative Portfolio	22%	30%	0.0002948-0.006	0 - 0.01
BlackRock Multi-Asset Income MF/ETF Growth Portfolio	23%	40%	0.0002948-0.006	0 - 0.01
Blackrock Multi-Asset Income Tax-Aware ETF Growth Portfolio	6%	17%	0-0.0002948	0 - 0.01
Blackrock Multi-Asset Income Tax-Aware ETF Moderate Portfolio	20%	25%	0-0.0002948	0 - 0.01
Blackrock Multi-Asset Income Tax-Aware MF/ETF Conservative Portfolio	11%	20%	0-0.0002948	0 - 0.01
BlackRock Target Allocation with SMAs - Aggressive Growth	14%	5%	0-0.0001356	0 - 0.01; \$15 - \$25.60
BlackRock Target Allocation with SMAs - All Equity	6%	5%	0-0.0027974	0 - 0.01
BlackRock Target Allocation with SMAs - Growth	9%	15%	0.0001356-0.0027974	0 - 0.01
BlackRock Target Allocation with SMAs - Income	9%	13%	0-0.0027974	0 - 0.01
BlackRock Target Allocation with SMAs - Income & Growth	11%	15%	0.0001356-0.006	0 - 0.01
BlackRock Target Allocation with SMAs - Income & Growth with Municipal Bonds	2%	2%	0-0.0001356	0 - 0.008
Clark Navigator Total Wealth Strategies - Growth	8%	11%	0.0001237-0.01	0 - 0.01; \$15 - \$17.00
Clark Navigator Total Wealth Strategies - Moderate	10%	12%	0.0001237-0.01	0 - 0.01
Clark Navigator Total Wealth Strategies - Moderate Growth	10%	18%	0.0001237-0.01	0 - 0.01
Clark Navigator Total Wealth Strategies Plus - Moderate	9%	9%	0.0001237-0.01	0 - 0.01
Fidelity Target Allocation Blended 50/50 (I) Model Portfolio	6%	0%	0.0002948-0.006	0 - 0.008
Harding Loevner International Equity ADR Managed Account	16%	35%	0	0 - 0.05
Horizon Tactical Moderate ETF Managed Account	29%	18%	0	0 - 0.01
State Street Strategic Asset Allocation ETF - Moderate Strategy	<1%	0%	\$15-279.65	0 - 0.008
UMA v2	2%	2%	0.0001237-0.01; \$0.16-82.35	0 - 0.0825; \$0 - \$1,181.10

Step-out Trading Information for Envestnet Investment Strategy	Percent of Client Trades Stepped Out		Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades	
	2021	2022	2021	2022
WCM Focused Growth International Managed Account	17%	33%	0	0 - 0.0825
BlackRock 80/20 Global Allocation (GA) Selects Tax Aware Portfolio	<1%	8%	0.0008857-0.006	0 - 0.005
Blackrock Multi-Asset Income Tax-Aware ETF Conservative Portfolio	#N/A	16%	0-0.0002948	0 - 0.01
Fidelity Target Allocation Blended 60/40 (I) Model Portfolio (O)	1%	0%	0.0007439-0.0027974	0.005 - 0.008
Fidelity Target Allocation Blended 70/30 (I) Model Portfolio (O)	1%	1%	0.0008857-0.006	0 - 0.01
American Funds Model: Conservative Growth and Income (F2)	0%	18%	0	0 - 0.01
American Funds Model: Growth and Income Strategy (F2)	0%	6%	0	0 - 0.01
American Funds Tax-Aware Moderate Growth and Income Model Portfolio (F2)	0%	9%	0	0 - 0.01
Athena Global Tactical ETFs Managed Account	37%	0%	0.001028377	0
Avantis Investors Strategic Allocation Diversified Equity ETF Strategy	8%	0%	0.0002948 - 0.0008857	0
Avantis Investors Strategic Allocation Moderate Growth ETF Strategy	0%	3%	0	0 - 0.008
BlackRock 100/0 Global Allocation (GA) Selects Portfolio	2%	0%	0.0008857	0
BlackRock 20/80 Global Allocation (GA) Selects Portfolio	0%	8%	0	0 - 0.005
BlackRock 20/80 Global Allocation (GA) Selects Tax Aware Portfolio	0%	8%	0	0 - 0.005
BlackRock 40/60 Target Allocation ESG ETF Portfolio	0%	53%	0	0 - 0.00247
BlackRock 60/40 Global Allocation (GA) Selects Portfolio	0%	14%	0	0 - 0.01
BlackRock 60/40 Global Allocation (GA) Selects Tax Aware Portfolio	0%	9%	0	0 - 0.005
BlackRock Equity Dividend Managed Account	3%	0%	0.0007439 - 0.006	0
BlackRock Fixed Income Target Allocation Tax-Aware ETF Portfolio	30%	0%	0.0001356-0.006	0
Blackrock Multi-Asset Income Tax-Aware MF/ETF Growth Portfolio	19%	0%	0-0.0002948	0
BlackRock Target Allocation with SMAs - Aggressive Growth with Municipal Bonds	0%	1%	0	0 - 0.008
BlackRock Target Allocation with SMAs - Growth with Municipal Bonds	0%	1%	0	0 - 0.008; \$15
BlackRock Target Allocation with SMAs - Income with Municipal Bonds	2%	0%	0-0.0001356	0
BlackRock Target Allocation with SMAs: Capital Preservation w/ Municipal Bonds	3%	0%	0-0.0001356	0
BlackRock Target Income Aggressive Portfolio	8%	0%	0	0
BlackRock Target Income ETF High Portfolio	31%	0%	0	0
Cambiar Global Equity Managed Account	3%	0%	0	0
Clark Navigator Alternative	0%	10%	0	0 - 0.005
Clark Navigator Fixed Income Total Return Managed Account	0%	79%	0	0 - 0.008
Clark Navigator Global Balanced 20-80 Hedged	0%	46%	0	0 - 0.008
Clark Navigator Global Balanced 40-60	0%	9%	0	0 - 0.006
Clark Navigator Global Balanced 40-60 Hedged	0%	47%	0	0 - 0.008
Clark Navigator Global Balanced 60-40	0%	12%	0	0 - 0.006
Clark Navigator Global Balanced 60-40 Hedged	0%	23%	0	0 - 0.005
Clark Navigator Global Balanced 80-20	0%	15%	0	0 - 0.01
Clark Navigator Global Tactical Strategy	0%	69%	0	0 - 0.008
Clark Navigator MultiStrategy 25-75	0%	73%	0	0 - 0.006
Clark Navigator MultiStrategy 50-50	0%	66%	0	0 - 0.006
Clark Navigator MultiStrategy 75-25	0%	42%	0	0 - 0.00457
Clark Navigator Strategist Core	0%	76%	0	0 - 0.006

<u>Step-out Trading Information for Envestnet</u> <u>Investment Strategy</u>	<u>Percent of Client Trades Stepped Out</u>		<u>Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Clark Navigator Style Preferred Income and Growth	0%	81%	0	0 - 0.006
Clark Navigator Total Wealth Strategies - Growth Tax Aware	0%	7%	0	0 - 0.008
Clark Navigator Total Wealth Strategies - Moderate Growth Tax Aware	0%	6%	0	0 - 0.008
Clark Navigator Total Wealth Strategies - Moderate Tax Aware	0%	2%	0	0 - 0.008; \$15 - \$48.25
Clark Navigator Total Wealth Strategies - Moderately Conservative	0%	10%	0	0 - 0.008
Clark Navigator Total Wealth Strategies - Moderately Conservative Tax Aware	0%	12%	0	0 - 0.008
Clark Navigator Total Wealth Strategies Plus - Growth	0%	11%	0	0 - 0.01
Clark Navigator Total Wealth Strategies Plus - Growth Tax Aware	0%	8%	0	0 - 0.008
Clark Navigator Total Wealth Strategies Plus - Moderate Growth	0%	12%	0	0 - 0.008
Clark Navigator Total Wealth Strategies Plus - Moderate Growth Tax Aware	0%	4%	0	0 - 0.008
Clark Navigator Total Wealth Strategies Plus - Moderate Tax Aware	0%	4%	0	0 - 0.008; \$0 - \$15.80
Clark Navigator Total Wealth Strategies Plus - Moderately Conservative	0%	14%	0	0 - 0.008
Clark Navigator U.S. Equity Strategic Beta	0%	15%	0	0 - 0.00127
Efficient Advisors 4 Factor Hybrid 100/0	0%	<1%	0	0; \$0 - \$44
Efficient Advisors Disciplined Factor ETF 80/20 T-M	<1%	0%	\$15-120	0
Efficient Advisors Factor ETF Tax Managed 100/0	0%	0%	0	0 - 0.01
Efficient Advisors Factor ETF Tax Managed 80/20	0%	0%	0	0 - 0.00139
Fidelity Multi-Asset Business Cycle (I) Model Portfolio	0%	7%	0	0 - 0.00247
Fidelity Target Allocation Blended 30/70 (I) Model Portfolio	0%	3%	0	0 - 0.008
Fidelity Target Allocation Blended 85/15 (I) Model Portfolio	0%	0%	0	0 - 0.005
First Trust RBA US Equity ETF Strategy	0%	51%	0	0 - 0.01
Goldman Sachs Multi-Manager 40/60 ETF Model Portfolio	0%	96%	0	0 - 0.008
Goldman Sachs Multi-Manager 50/50 ETF Model Portfolio	0%	71%	0	0 - 0.008
Goldman Sachs Multi-Manager 70/30 ETF Model Portfolio	0%	62%	0	0 - 0.008
ICM Quantitative Innovations: Balanced - ETF	0%	0%	0	0 - 0.005
ICM Quantitative Innovations: Conservative Growth - ETF	29%	0%	0	0
ICM Quantitative Innovations: Income & Growth - ETF	0%	0%	0	0 - 0.005
ICM Quantitative Innovations: Income & Growth - Tax Sensitive	0%	0%	0	0 - 0.005
ICM Quantitative Innovations: Moderate Growth - ETF	0%	0%	0	0 - 0.005
iCM Tactical Closed-End Fund Strategy (TICE)	0%	0%	0	0 - 0.00039
Lazard Int'l Equity Select w/Emerging Markets Managed Account	13%	0%	0	0
Morningstar Active/Passive Growth - Tax Sensitive Strategy	0%	2%	0	0 - 0.00139
PIMCO Multi-Manager Tax-Aware Retirement Income - Moderate Growth (I-2s)	2%	0%	0-0.0001356	0
PWC Allen_Malik Trust 73/27 w/Alts	0%	<1%	0	0; \$15
State Street Active Asset Allocation ETF - Moderate Strategy	0%	12%	0	0 - 0.008
State Street Strategic Asset Allocation ETF - Growth Strategy	0%	0%	0	0 - 0.005
State Street Strategic Asset Allocation ETF - Moderate Growth Strategy	0%	0%	0	0 - 0.008
State Street Strategic Asset Allocation ETF: Maximum Growth	0%	1%	0	0 - 0.005

<u>Step-out Trading Information for Envestnet</u> <u>Investment Strategy</u>	<u>Percent of Client Trades Stepped Out</u>		<u>Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
State Street Tax-Sensitive Active Asset Allocation ETF Model Portfolio: Moderate	0%	7%	0	0 - 0.01
State Street Tax-Sensitive Active Asset Allocation ETF Model Portfolio: Moderate Conservative	0%	7%	0	0 - 0.008
State Street Tax-Sensitive Active Asset Allocation ETF Model Portfolio: Moderate Growth	0%	4%	0	0 - 0.005
WCM Quality Global Growth Managed Account	6%	0%	0	0
WestEnd Advisors Global Equity Strategy	0%	12%	0	0 - 0.00397

4. Step-Out Trading information for Investment Managers and Strategists not using Envestnet

The information contained in the following chart is believed to be materially accurate, but its accuracy or completeness cannot be guaranteed. The information was obtained directly from the third-party managers by Park Avenue Securities. PAS does not make any representation or warranties as to its calculation, quality, timeliness, availability, or completeness and shall not be liable for inaccuracies or omissions in any Manager's response.

Only Investment Strategies with additional costs passed onto clients for step out trading during the two-year time period are described in the table below. Investment Strategies not on the list either did not trade away or did not charge additional costs for step out trading during the period.

<u>Step Out Trading Information for Investment Managers and Strategist not using Envestnet</u> <u>Investment Strategy</u>	<u>Dollar-Weighted Percent of Client Trades Stepped Out</u>		<u>Additional Cost in Cents Per Share for Equity Trades or Dollars per Trade for Fixed Income Trades</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Franklin Templeton Global Multi Cap Growth Portfolios (MDA4)	64%	48%	1.417 cps	1.36 cps
Parametric Custom Core - S&P 500 Managed Account	N/A	0.01%	N/A	Gross cost of all trades is \$4.05

STEP*forward* with Park Avenue Securities

Park Avenue Securities LLC (PAS) is a wholly owned subsidiary of The Guardian Life Insurance Company of America (Guardian). PAS is a registered broker-dealer offering competitive investment products, as well as a registered investment adviser offering financial planning and investment advisory services. PAS is a member of FINRA and SIPC.

PAS is located at 10 Hudson Yards, New York, NY 10001.