

## COMMONWEALTH® BUSINESS CONTINUITY PLAN

Commonwealth® has developed a business continuity plan to describe how we will respond to events that significantly disrupt our business. Because the timing and impact of disasters and disruptions are unpredictable, we need to be flexible in responding to events as they occur. With that in mind, we are providing you with the following information regarding our business continuity plan.

### Contacting Commonwealth after a significant disruption

If, after a significant disruption, you cannot transact business as usual with us through your advisor at his or her local office, please call our alternative numbers:

- Waltham, Massachusetts: 800.251.0080 or 800.237.0081
- San Diego, California: 877.347.1982 or 877.347.1983

If the disruption is limited to your advisor's local area, you may access your funds and securities and request transactions directly through Commonwealth's Service Centers in Waltham and San Diego.

### Our plan

**Our business continuity plan** addresses data backup and recovery; all critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternative physical locations of employees; critical supplier, contractor, bank, and counterparty impacts; regulator reporting; and more. After even a significant disruption, we intend to recover as quickly as possible and resume business operations. We will respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and enabling our customers to transact business.

Commonwealth and our clearing firms, National Financial Services LLC and Pershing, back up our important records in separate locations. Although each emergency situation poses unique problems based on external factors (e.g., the time of day and severity of the disruption), our clearing firms have advised us that their objectives are to restore their own operations, to be able to complete existing transactions, and to accept new transactions and payments promptly. Please note, however, that even though it is Commonwealth's objective to restore our operations with a similar goal, your orders and requests for funds and securities may be delayed. Moreover, because the scope and impact of any disruption can vary significantly, certain elements of our and our clearing firms' recovery plans may require longer recovery periods, which means that your requests for funds or for processing transactions could be further delayed. Be assured that, during any disruption, we will continually evaluate, estimate, and communicate the recovery time necessary to resume our operations.

### Disruptions may vary

As previously noted, significant business disruptions can vary in scope. For example, they can impact only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or our entire region. In addition, within each location affected, the severity of the disruption can vary, from minimal to severe.

- If a disruption affects only our firm or the building in which our firm is housed, we will transfer our operations to our separate, disaster recovery site.
- If a disruption affects our Waltham, Massachusetts, business district (or city or region), we will transfer our critical business operations to our San Diego, California, office, which maintains an independent telephone system.
- If a business disruption is so severe that it prevents us from remaining in business, we assure our customers that they will have prompt access to their funds and securities by whatever means available to us.

### Important disclaimers

Commonwealth will adhere to the procedures described in our business continuity plan and described above to the extent commercially reasonable and practicable under prevailing circumstances. There are, however, as previously noted, an incalculable number of events or circumstances that could result in a significant business disruption. Further, a significant disruption may result in varying degrees of harm to human life and regional or national infrastructure (e.g., power, transportation, communications), which could affect the firm's recovery in a host of different ways.

In light of this, Commonwealth, in its sole discretion, reserves the right to flexibly respond to any disruption in a situation-specific and prudent manner. Nothing in this disclosure document is intended to provide a guarantee or warranty regarding the actions or performance of the firm, its computer systems, or its personnel in the event of a significant business disruption.

### For more information

If you have questions about our business continuity plan, you may write to us at Commonwealth, 29 Sawyer Road, Waltham, MA 02453, Attn: Director of Business Continuity, or call us at 781.736.0700.

## DEFINITIONS OF INVESTMENT OBJECTIVES

**Income with Limited Growth:** I am willing to accept limited risk to my investment principal in this account, even if that means this account does not generate significant returns and may not keep pace with inflation. This objective generally focuses on the generation of current income. Accounts with this objective may be invested primarily in fixed income/bonds, with up to 25% in equities/stocks, but actual investment allocations will differ based on individual client goals, concerns, and market conditions. This objective has historically been the most conservative on a relative basis and has exhibited lower volatility than objectives that allocate a greater portion of investments to the equity/stock markets; however, past performance is no guarantee of future results.

**Income with Moderate Growth:** I am willing to accept relatively low risk to my investment principal and will tolerate some volatility to seek a modest level of income and/or objective returns. This objective generally focuses on asset appreciation sufficient to offset inflation over time while also generating current income. Accounts with this objective may consist of a majority of fixed income/bonds, with up to 45% in equities/stocks, but actual investment allocations will differ based on individual client goals, concerns, and market conditions. This objective has historically exhibited modest volatility compared with objectives that allocate a greater portion of investments to the equity/stock markets over time; however, past performance is no guarantee of future results.

**Growth and Income:** I am willing to accept moderate risk and volatility to my investment principal to seek higher returns. This objective generally targets a balanced asset allocation approach that seeks to provide growth potential and generation of interest or dividend income. Accounts with this objective may consist of up to 65% in equities/stocks, with the remainder in fixed income/bonds, but actual investment allocations will differ based on individual client goals, concerns, and market conditions. This objective has historically exhibited less overall volatility than objectives that allocate a greater portion of investments to the equity/stock markets over time; however, past performance is no guarantee of future results.

**Primarily Growth:** I am willing to accept a relatively higher risk to my investment principal, including greater volatility, to seek higher returns over time. This objective generally targets growth of the portfolio, which may or may not focus on the generation of interest or dividend income. Accounts with this objective may consist of up to 85% in equities/stocks, with the remainder in fixed income/bonds, but actual investment allocations will differ based on individual client goals, concerns, and market conditions. This objective has historically exhibited greater market value fluctuations than objectives that allocate a greater portion of investments to the fixed income markets; however, past performance is no guarantee of future results.

**Growth:** I am willing to accept significant risk to my principal to aggressively seek maximum returns. This objective generally seeks maximum growth potential or generation of income from equities or alternative investments. This long-term-oriented objective is typically invested almost entirely in equities/stocks, with the remainder, if any, in fixed income/bonds or alternative investments, but actual investment allocations will differ based on individual client goals, concerns, and market conditions. This objective has historically offered the highest level of risk and widest market value fluctuations compared to other objectives, especially in the short term; however, past performance is no guarantee of future results.

## DEFINITION OF A TRUSTED CONTACT

Someone to whom you authorize Commonwealth to disclose information about your account in order to address possible financial exploitation; confirm specifics about your contact information and health status; or identify any legal guardian, executor, trustee, or holder of power of attorney. Your trusted contact has no authority to make transactions for your account.

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3