First Republic Securities Company, LLC ("FRSC") is a securities broker-dealer registered with the Securities Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). FRSC is a wholly owned subsidiary of First Republic Bank ("FRB" or the "Bank"), a publicly held California state-chartered commercial bank that is listed on the NYSE (stock symbol FRC). First Republic Bank was founded in 1985. Client accounts at FRSC are cleared on a fully disclosed basis at Pershing LLC ("Pershing"), which has custody of FRSC customer accounts. Pershing is a clearing broker that is not affiliated with FRSC or the Bank. This brochure provides disclosures about business practices of FRSC, how FRSC makes money and what conflicts of interest it has.

For additional FRSC information and disclosures, including commission and fee schedules, visit firstrepublic.com/pwm/important-disclosures.

Service, Fees and Compensation

FRSC offers the following brokerage services: (i) full-service brokerage, where an FRSC financial professional can provide you with recommendations designed to meet your investment needs, and you retain decision-making authority for investment decisions; and (ii) online brokerage services, where you can manage your assets using our self-directed online brokerage platform. FRSC does not offer ongoing investment monitoring as part of its brokerage services.

FRSC is compensated in a variety of ways when you make an investment, including commissions, markups/markdowns, sales credits and/or 12b-1 trailers. Because FRSC is compensated on a transaction basis, FRSC and your financial professional (a "Wealth Manager") receive higher compensation when you trade more frequently. If you do not plan to trade often, the transaction-based fee structure may be beneficial to you. Because the commissions charged by FRSC vary depending on the product, FRSC and your Wealth Manager receive higher compensation when you invest in products with higher commissions. See the Full-Service Commission Schedule for details. Clients are charged service and maintenance fees by our clearing firm, Pershing. In most instances, FRSC marks up these fees to account for the services provided by FRSC. See the FRSC Fee Schedule for details.

A portion of the commissions and fees payable to FRSC is allocated on an ongoing basis to your Wealth Manager(s), and the percentage credited to a Wealth Manager has in the past and likely will in the future be generally 25% of the total commissions and fees for accounts referred internally to them and 40% for accounts that are self-sourced. A Wealth Manager has discretion to charge a commission lower than the standard commission schedule and the amount you pay is a factor used to calculate the compensation to the Wealth Manager. Therefore, the Wealth Manager has a financial incentive not to lower a client's commission or fee charges. A Wealth Manager receives less than the standard payout when discounting too far below the standard schedule. This creates a financial incentive for Wealth Managers to price at the commission schedule. FRSC reserves the right, and without prior notice, to change the methods by which it compensates the Wealth Managers and employees, including reducing or denying any production payout for any reason.

FRSC can recommend that you roll over your ERISA plan, such as a 401(k) or 403(b), to an IRA so that we can provide you with advice and/or recommendations and receive fees and/or transaction-based compensation.

FRSC has an incentive to advise you to invest in certain mutual funds and exchange-traded funds because the manager or sponsor of those investments shares revenue it earns on those investments with us. Some SEC-registered mutual funds, or some share classes thereof, or their affiliates, pay Rule 12b-1 (marketing and distribution), revenue-sharing, service and/or administrative fees to FRSC where it sells fund shares or provides services to a fund's shareholders. Rule 12b-1, service and administrative fees typically are deducted out of fund assets at the fund level and reduce a shareholder's returns. Revenue-sharing payments typically are paid by a fund's affiliate out of the fund adviser's management fees. FRSC keeps all revenue-sharing payments it receives as well as the service and administrative fees it receives from mutual funds that make revenue-sharing payments and has earned and kept a material amount of the Rule 12b-1, revenue-sharing, service and administrative fees it has received. FRSC receives revenue-sharing, service and administrative fees for certain open-ended investment companies (mutual funds) purchased by advisory and non-advisory clients of FRSC's affiliate, First Republic Investment Management, Inc. ("FRIM"). In addition, FRSC receives Rule 12b-1 (distribution) for non-advisory clients of FRIM.

FRSC Wealth Managers participate in a referral non-cash compensation program with the firm's bank affiliate. In the Bank Partnership Program, a Wealth Manager who increases FRB deposit balances year-over-year may be entitled to awards such as tickets to the theater or a sporting event, or a weekend at a golf or spa resort.

FRSC does not engage in sales contests or quotas for specific securities or types of securities within a limited period of time, consistent with the prohibitions in the SEC's Regulation Best Interest.

As FRSC retains revenue-sharing payments from some mutual funds' affiliates (as well as any service and administrative fees paid by such affiliates with respect to the mutual funds for which such affiliates make revenue-sharing payments), FRSC has a conflict of interest with respect to the selection and retention of those mutual funds or share classes thereof. This conflict arises because those payments and fees create an incentive for Wealth Managers to choose those mutual funds or share classes over other funds or share classes that do not make revenue-sharing payments or that make lower revenue-sharing payments (and the relevant service and administrative fees), since doing so results in higher compensation to FRSC.

FRSC marks up the following fees imposed by the clearing broker: wire transfer and inactivity fees, reorganization fees, safekeeping fees, and fees for extension of margin. As of December 31, these FRSC mark-ups totaled approximately $188,341 for 2019. The fact that FRSC charges mark-ups on these account fees creates a conflict of interest because those fees constitute additional revenue to FRSC. FRSC's account fees change over time. See the FRSC Fee Schedule for details.

Conflicts Related to Pershing's FundVest Program

Registered representatives of FRSC recommend mutual funds and share classes that participate in Pershing's FundVest Program, through which Pershing waives transaction charges for purchases of mutual funds in brokerage accounts that would normally carry a transaction charge. Once FRSC meets a certain amount of client assets in FundVest mutual funds, Pershing shares revenue with FRSC. This provides an incentive for Wealth Managers of FRSC to recommend mutual funds and share classes that participate in the FundVest Program. Redemptions of shares of mutual funds that participate in the FundVest Program have in the past and likely will in the future be assessed a short-term redemption fee by the Fund which is passed through FRSC if sold within six months, which FRSC can absorb or increase at its discretion.

Conflicts Related to Insurance Activities

FRSC is also an insurance agency, DBA Grand Eagle Insurance Services ("Grand Eagle"), licensed to conduct insurance activity in all states where entity level licensure has been obtained. FRSC earns compensation including insurance revenue based on a percentage of the premiums paid by its customers, and it may be paid additional compensation based on such factors as the total volume of its product sales, the length of time that premiums are paid and/or the profitability of those products. Wealth Managers and employees who are separately licensed as registered representatives with FRSC or as insurance agents will be able to refer insurance and insurance-related investment products for which they will receive separate and additional compensation, and the compensation will often be contingent upon whether the client purchases the insurance products or services. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Conflicts Related to the use of Margin

FRSC is compensated for margin interest, which gives FRSC an incentive to encourage you to carry a margin balance. Margin buying is buying securities with cash borrowed from a broker-dealer by using other securities as collateral. In cases where margin is used in a client account, the marginable securities in the accounts are pledged for collateral to borrow and buy additional securities in that account. This has the effect of magnifying any profit or loss. The securities serve as collateral for the loan, and this margin loan must be repaid even if the residual value of the client account is insufficient. FRSC will have an incentive to recommend borrowing money on a client account and pledging the assets as collateral.

Conflicts Related to Payment for Order Flow

FRSC receives compensation from other firms for trades that FRSC directs for execution through such firms. This compensation is known as “payment for order flow.” This compensation for such clients’ trades creates a conflict of interest because FRSC may be incentivized to direct trades not based on the quality of execution but on the amount of any payment for order flow. FRSC has established a Best Execution Committee to review execution quality and payment for order flow in order to mitigate this conflict of interest.

Other Industry Afilliations

Afilliated Bank

FRSC is a wholly owned subsidiary of FRB, a publicly traded bank that offers a broad spectrum of banking products and financial services to consumer and business clients. As a subsidiary of FRB, FRSC is under common ownership and control with several other providers of financial services, including those set forth below with which it has material business relationships. The services provided by these affiliated companies are separate and distinct from the services of FRSC, and they are typically provided for separate and additional compensation.

Afilliated Registered Investment Adviser

FRSC is affiliated through common ownership and control with FRIM, a federally registered investment adviser with the SEC. The majority of Wealth Managers who are registered representatives or associated persons of FRSC are also investment adviser representatives of FRIM.

Afilliated Trust Companies

FRSC is affiliated through common ownership and control with First Republic Trust Company (“FRTC”), a division of FRB, First Republic Trust Company of Delaware LLC (“FRTC-DE”), and First Republic Trust Company of Wyoming LLC (“FRTC-WY”). When appropriate, FRSC, on the one hand, and FRTC, FRTC-DE, or FRTC-WY, on the other hand, refer clients to each other.

Relationships with Afilliates

Under the brand of First Republic Private Wealth Management (“PWM”), FRB offers services to wealth management clients that include brokerage services through FRSC, investment management, insurance and financial planning services through FRIM, trust administration and custody through FRTC, FRTC-DE and FRTC-WY, and foreign exchange services through the Bank.

The affiliations described above lead to various conflicts of interest that are discussed below.

Client Referrals and Other Compensation

FRB refers clients of the Bank and PWM to FRSC and vice versa. Employees are compensated, recognized and rewarded for those referrals.

This practice presents a conflict of interest for FRSC because an incentive exists to recommend Bank and other PWM products based upon the compensation received rather than on a client’s needs. This practice also presents a conflict of interest for the Bank because an incentive exists to recommend FRSC and other PWM products based upon the compensation received rather than on a client’s needs. FRSC addresses this conflict through disclosure in this brochure, through disclosure at the time of referral and by adopting internal policies and procedures.

Recruitment of Wealth Managers

Consistent with industry practice, FRSC and FRIM from time to time recruit Wealth Managers and other employees to join the firm and have in the past and likely will in the future enter into significant compensation arrangements with these employees to facilitate their transition to the firm. The amount paid to the Wealth Manager is largely based on the assets under management and revenue those assets generated at the Wealth Manager's prior firm, and the Wealth Manager achieving a minimum percentage of production and asset levels within a specific time after joining First Republic. Such compensation can take different forms, such as promissory notes and special and transition bonuses, and other forms of compensation, and has in the past and likely will in the future be contingent upon the Wealth Manager satisfying certain performance-based criteria including total client assets serviced and revenue generated from those assets. These compensation arrangements create an incentive for Wealth Managers to maximize the revenue they generate from PWM client accounts. Even if the fees a client pays remains the same or are less than the fees paid at the prior firm, the transfer of the client's assets to FRSC contributes to the Wealth Manager's ability to meet production targets and to receive additional compensation. This practice creates an incentive and conflict of interest for the Wealth Manager to recommend the transfer of account(s) to FRSC since a significant part of the Wealth Manager's compensation is contingent on achieving pre-determined revenue or asset targets. Clients should consider if the Wealth Manager's advice is aligned with their own investment strategy and goals.

Conflicts Related to Licensed Bank Employees

FRSC compensates employees of FRB that are also registered representatives of FRSC ("Licensed Bankers") whereby the Licensed Banker receives a portion of the commission or fees paid by the client to FRSC. This practice presents a conflict of interest because it gives Licensed Bankers an incentive to recommend the use of FRSC.

Wealth Managers are directly compensated for referring clients to FRB for Bank products and services. This compensation creates an incentive for Wealth Managers to refer clients to Bank products or services so they can receive compensation and not necessarily because they are appropriate products or services for such clients, which is a conflict of interest. Such compensation has in the past and likely will in the future comprise a meaningful part of the total compensation package for many Wealth Managers. Certain specific products and services offered by FRB and the related conflicts of interests are discussed further below.

Conflicts Related to Uninvested Cash

FRSC makes available to clients several options for holding uninvested cash in clients' FRSC brokerage accounts. The primary option for those who qualify is the Eagle Sweep program. The Eagle Sweep Account is a deposit account opened and maintained by FRSC's clearing agent, Pershing, at FRSC's affiliated bank, FRB. FRSC's parent, FRB, benefits from cash balances that are "swept" from Eagle Sweep Accounts, as discussed further below. FRB is a member of the Federal Deposit Insurance Corporation ("FDIC").

When a client deposits cash in an FRSC account and the client uses the Eagle Sweep program, the funds are subject to Securities Investor Protection Corporation ("SIPC") coverage from the time of receipt in the brokerage account until the funds are swept to the Eagle Sweep program account, and FDIC insurance attaches to the cash balance, to the extent provided for under the Federal Deposit Insurance Act and FDIC rules, when those funds are received at FRB. The FDIC insurance limit is $250,000 per person, and a client's other deposits at FRB in the same right and capacity will counts towards this limit. It is the client's responsibility to monitor their total deposits at FRB to determine the extent of FDIC insurance coverage available to them, and FRSC does not conduct that monitoring for clients.

Funds swept into a deposit account under the Eagle Sweep program provide FRSC's parent, FRB, a relatively low-cost source of funds for the Bank that can be lent or invested at higher rates, thus enabling FRB to earn a profit based on the spread between the rate paid to its customers and the interest earned by FRB on the assets. The availability of the Eagle Sweep program creates a conflict of interest with FRSC clients because FRSC has an incentive to recommend that clients "sweep" cash balances to FRB bank deposits in the Eagle Sweep program for the reasons described below. The interest rates paid to customers on the Eagle Sweep program is set by FRB in its sole discretion. FRB does not have a duty to provide the highest rates available and has in the past and likely will in the future seek to pay rates of interest on Eagle Sweep program deposits that are lower than the prevailing market interest rates paid on an account otherwise opened directly with FRB.

FRB registers a monthly per-account credit to FRSC in its internal books and records for each FRSC account that utilizes the Eagle Sweep program. Additionally, compensation from Pershing may be shared with FRSC based on the asset levels in FRSC accounts, which includes Eagle Sweep program accounts. FRB employees receive referral payments based on asset levels in accounts of clients such employees have referred to FRSC, which includes sweep deposit balances. Information regarding the Eagle Sweep program, including information regarding the scope of FDIC insurance coverage and the existence of the conflicts of interest with respect to the programs has been provided to participating clients in each program.

Conflicts Related to FRB's Securities-Backed Loan Program

FRB offers a securities-backed loan program that allows clients to satisfy short-term cash needs without selling assets, and Wealth Managers refer clients to FRB's program. The minimum loan amount is generally $500,000, the loans are typically structured as 12-month revolving line of credit with auto-renewal, and the loans cannot be used to buy additional securities. FRB seeks to earn a profit from this program by making loans to clients at interest rates higher than its cost of funds. The loans are secured by eligible marketable securities held at FRSC. The use of securities as collateral may expose the client to forced liquidation if the market declines, which can potentially disrupt a long-term investment plan or incur capital gains taxes, a risk which is magnified for positions that are concentrated in a single security or market sector. Depending on the nature of the referral, Wealth Managers receive compensation for the referral. The borrowing fees are paid to FRB. This creates an incentive to refer clients to FRB's securities-backed loan program which is a conflict of interest.

Conflicts Related to FRSC's Activities as Placement Agent

FRSC serves as a placement agent for FRIM's Eagle Alternative Investment platform, which includes the Altair Funds. Neither the investors in the Eagle Alternative Investment Funds nor the Eagle Alternative Investment Funds pay a fee to FRSC for serving as private placement agent. FRIM, using its own assets, reimburses FRSC for its reasonable, documented expenses in providing private placement services.

In certain instances, FRSC serves as placement agent for investments in Private Funds not advised by FRIM ("unaffiliated Private Funds"). In such instances, if a client elects to invest in an unaffiliated Private Fund through FRSC, the client has in the past and likely will in the future be charged a one-time placement agent fee in addition to the unaffiliated Private Fund's fees (e.g., management and administration fees). FRSC has in the past and likely will in the future also receive ongoing fees from the Private Fund for the placement.

Conflicts Related to Specific Products

Equities

FRSC executes equity transactions on an agency basis and charges a commission commensurate with the firm's disclosed commission schedule. FRSC may receive compensation from exchanges or counterparties. This payment for order flow could influence where the firm executes your transactions and could result in your receiving an inferior price. FRSC maintains a Best Execution Committee that examines execution quality and payment for order flow in order to ensure that there is no undue pressure on the firm that would harm client execution quality.

Options

FRSC executes option transactions on an agency basis and charges a commission commensurate with the firm's disclosed commission schedule. FRSC may receive compensation from exchanges or counterparties. This payment for order flow could influence where the firm executes your transactions and could result in your receiving an inferior price. FRSC maintains a Best Execution Committee that examines execution quality and payment for order flow in order to ensure that there is no undue pressure on the firm that would harm client execution quality.

Fixed Income

FRSC executes fixed income transactions in two manners: the first is on an agency basis wherein a client is charged a commission based on the firm's commission schedule, the second is on a riskless basis wherein a client purchases or sells a fixed income instrument from another firm and then sells or purchases the instrument from a client at a different price. The difference between the price the firm either purchases or sells from a contra firm and the price the firm sells or purchases the instrument is referred to as a mark-up or mark-down. This amount is disclosed to clients on their trade confirmations. FRSC maintains a Best Execution Committee that examines execution quality and payment for order flow in order to ensure that there is no undue pressure on the firm that would harm client execution quality.

Structured Notes

Structured products are corporate debt obligations that also contain an embedded derivative component that affects the security's risk/return profile. The return performance of a structured product will track both that of the underlying debt obligation and the derivative embedded within. The complexity of structured products presents unique risks to investors. Wealth Managers are compensated on the sales credit embedded in the price of the structured product. Structured products may involve a high degree of risk. Investors must understand these investments may be illiquid. Before investing, investors should consider the structured product's investment objective, risks, charges and expenses, which can be found in the offering circular.

Mutual Funds

Investing in a mutual fund involves certain risks, including the possibility that you may lose money. You can find all of the details about a mutual fund – including its investment strategy, risk profile, performance history, management, and fees – in a document called the prospectus. You should always read the prospectus before investing in a fund. You should also discuss potential risks and costs with your Wealth Manager who will help you evaluate your investment objectives, time horizon and risk tolerance in order to assist you in selecting the investment options that are suitable for your circumstances. There are multiple share classes available, each offering distinct advantages and disadvantages. A Wealth Manager can help determine the most suitable share class by evaluating the investor's investment time horizon and the amount purchased. The following is a list of typical features of common Mutual Fund Share Classes.

Class A shares typically charge a front-end sales load, but they tend to have lower 12b-1 fee and lower annual expenses than other mutual fund share classes. A front-end sales charge may be deducted from a mutual fund investment at the time of purchase. The majority of the front-end sales charges deducted from a mutual fund investment are paid as a commission to your Wealth Manager. Some mutual funds reduce the front-end load as the size of the investment increases. These discounts are called breakpoints.

Class B shares typically do not have a front-end sales load. Instead, they may charge a back-end sales load and a 12b-1 fee (along with other annual expenses). The most common type of back-end sales load is the "contingent differed sales load," also referred to as a "CDSC" or "CDSL." Typically, the amount of the contingent deferred sales load decreases the longer an investor holds the shares. Class B shares also might convert automatically to a class with a lower 12b-1 fee and no contingent differed sales load if the investor holds the shares long enough.

Class C shares might have a 12b-1 fee, other annual expenses and either a front-end or back-end sales load. But the front-end or back-end load for Class C shares tends to be lower than for Class A or Class B shares, respectively. Unlike Class B shares, Class C shares generally do not convert to another class; as a result, the back-end load will not decrease over time. Class C shares tend to have higher annual expenses than either Class A or Class B shares.

Class F shares typically are available to retail investors through fee-based advisory accounts with an investment advisor. These funds are typically no-load but can have 12b-1 fees. The investment advisor will charge a separate fee for managing the investment.

Class I shares might have lower overall fees than Class A, B or C shares, but they would be sold only to institutional investors making large fund share purchases. However, these shares may be available to retail investors through fee-based advisory accounts through an investment advisor.

Class R shares typically are available through a 401(k) and are no-load but can have 12b-1 fees.

A client may wish to purchase mutual fund shares that do not have a 12b-1 fee or that do not sharing revenue with FRSC, in these instances a per transaction fee may be charge for the purchase or sale of these shares. For clients who anticipate frequent transactions, such as periodic investments, or regular rebalancing of assets, such mutual funds may be more expensive. Due to this difference in costs FRSC does not earn as much revenue from these mutual funds and therefore has an incentive not to recommend them to clients.

Breakpoints, Letters of Intent and Rights of Accumulation

Breakpoint discounts are volume discounts to the front-end sales load charged to investors who purchase Class A mutual fund shares. The extent of the discount depends on the amount invested in a particular family of funds. Investors can qualify for breakpoints through a single purchase of Class A mutual fund shares, with a Letter of Intent or through Rights of Accumulation. A Letter of Intent allows investors to receive breakpoint discounts based on a commitment to buy a specified number of shares over a period of time. Rights of Accumulation allows an investor to aggregate his own fund shares with the holdings of certain related parties, such as spouses and children, toward achieving the investment thresholds at which breakpoint discounts become available. Investors also may be able to aggregate holdings they have in different accounts at the same broker-dealer, at different broker-dealers or in different types of accounts, such as 401(k) and 529 plans, as well as the holdings in the accounts of related parties toward achieving an investment threshold at which a breakpoint discount is available.

Mutual Funds Additional Resources

Use this tool to compare fund fees and expenses: https://tools.finra.org/fund_analyzer/

Additional Information

For additional FRSC information and disclosures, including commission and fee schedules, visit firstrepublic.com/pwm/important-disclosures.

For additional information about our services, please visit firstrepublic.com.

To request a free hard copy of this brochure, please call (415) 392-1400.