



REGULATION BEST INTEREST DISCLOSURE

10-19-2022

This disclosure summarizes important information concerning the scope and terms of the services we offer through Classic, LLC and details the material conflicts of interest that arise through our delivery of these services. Please review this information carefully, along with any applicable account agreement(s), disclosure documentation and our Customer Relationship Summary (“Form CRS”).

Please carefully review and consider the information in each section below.

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Brokerage Services, Products and Their Related Fees

Classic, LLC is a broker-dealer based in Fargo, ND. Our firm is organized as a limited liability company under the laws of the State of North Dakota. We have been providing brokerage services since 2014. Our firm is 100% owned by Classic Holdings, LLC. The owners of Classic Holdings are: Craig A Rottman, President and Chief Investment Officer; Michael V Young, Vice-President and Chief Compliance Officer; and Douglas G Schmitz, Partner.

As used in this disclosure, the words “we”, “our”, and “us” refer to Classic, LLC and the words “you”, “your”, and “client” refer to you as either a client or prospective client of our firm.

The following paragraphs describe our services and compensation.

Brokerage Account Types

We offer brokerage services to retail investors that include buying and selling securities. There are thousands of investment products on the market and we do not offer all of them for sale to clients. Moreover, the scope of products and services we offer may be more limited than what is available through other financial services firms. Classic, LLC and its financial professionals can only recommend investment products from investment sponsors with whom we have entered into selling and distribution agreements.

We provide the ability to execute the purchase and sale of mutual funds and annuities on your behalf, at your direction. Your account is held directly with the mutual fund family or the insurance company that issues your annuity.

The types of accounts that we offer retail investors are individual, joint, custodial, trust, estate, partnerships, individual retirement accounts, and 529 accounts. When we recommend which type of account you should use, we have to (and will) act in your best interest.

Incidental Brokerage Services, Recommendations and Account Monitoring

We also offer investment recommendations and investment strategy recommendations, but you make the ultimate decision regarding the purchase or sale of investments. Our recommendations are based on the full scope of information that you provide such as investment objective, risk tolerance, liquidity needs, time horizon, financial needs, and other financial information.

When we provide you with a recommendation as your broker-dealer, we have to (and will) act in your best interest and not put our interest ahead of yours.

We do not provide on-going monitoring of your brokerage investments as part of our standard services. It is your responsibility to monitor your brokerage investments and brokerage account(s), and we encourage you to do so regularly.

Understanding Risk

All investments have the potential for profit or loss. The risk of loss is inherent with every investment choice. Although research has consistently demonstrated that risk is best reduced through diversification of assets, a diversified portfolio with more aggressive investments will experience greater volatility than a less aggressive portfolio, especially over the short term.

If you have a short investment horizon or are more risk-averse, a more conservative investment may be more appropriate. However, if you have a longer time horizon and are willing to tolerate greater account value fluctuations due to market volatility, a more aggressive investment may be appropriate. The level of risk you assume with investments will vary depending on your investment time frame and objectives, which is why it is important to provide us with accurate and up-to-date information about your risk tolerance and financial situation.

Although we will use our best professional judgment when making recommendations, there is no way to guarantee the results of any recommendation or that losses will not occur. It is important to realize that, at any point in time, your investment may be worth more or less than the original amount invested.

It is important for you to communicate the level of risk that you are willing to take. Our recommendations are based on the information that you provide such as investment objective, risk tolerance, liquidity needs, time horizon, financial needs, and other financial information.

Account Minimums and Activity Requirements

We do not require a minimum account balance for your investment accounts through Classic, LLC. However, certain investment offerings may require a minimum investment, and we will tell you what these minimums are before making a recommendation that you make an investment.

Mutual Funds

We maintain relationships with various mutual fund companies. Each of the companies that we maintain a relationship with charge you commissions when placing trades with them. In addition

to the commissions you are charged, the mutual fund companies charge you annual internal fees for each of the funds.

The commissions and internal fees charged vary across the funds. The range of commissions charged by the mutual fund companies typically range from 3.75% for bond funds to a maximum of 5.75% for equity funds.

- Mutual fund companies may offer several different share classes, each having a different commission and annual ongoing fee. An example of the different share classes commissions and fees is shown below:

<i>Share Class</i>	<i>Upfront Commission</i>	<i>Internal Fees</i>	<i>Contingent Deferred Sales Charge</i>
A	5.75%	0.59%	None
C	0.00%	1.33%	1.00% for the first 12 months

- Mutual fund companies may also pay a “trailing commission”. A trailing commission is a fee paid to us from the mutual fund companies to compensate for servicing the account. The trailing commission is typically 0.25% of the account value for the A Share Class and 1.00% of the account value for the C Share Class.
- Mutual fund companies may offer rights of accumulation (ROA). Rights of accumulation are rights that allow you to receive the breakpoint discounts based on the purchase amount and/or value of all your household accounts (spouses and children under 21) at the same mutual fund family.
- Mutual fund companies may offer commission discounts based on breakpoint discounts. The breakpoint discounts are based on the amount invested with the mutual fund company. For example:

<i>Purchase Amount and Account Value</i>	<i>Upfront Commission</i>
Less than \$25,000	5.75%
\$25,000 to \$50,000	5.00%
\$50,000 to \$100,000	4.50%
\$100,000 to \$250,000	3.50%
\$250,000 to \$500,000	2.50%
\$500,000 to \$750,000	2.00%
\$750,000 to \$1 million	1.50%
\$1 million and above	0.00%

Please review the prospectus for your mutual fund(s) to determine the exact commissions and internal fees that you will be charged. In addition to commissions and fees, the prospectus explains the fund’s breakpoint discounts, rights of accumulation and any sales charge waivers. If you have any questions about any of these fees, please ask us before you make an investment.

Annuities

We maintain relationships with various insurance companies that offer annuities. Each of the insurance companies that we maintain a relationship with pays us commissions when you purchase an annuity. The commissions that we receive can be an all-upfront commission, an annual trail commission, or a combination of upfront and annual trail commission.

An upfront commission typically ranges from 2.00% to 5.00% of the amount invested in the annuity.

A trailing commission is a fee paid to us from the insurance company to compensate us for servicing the account. The trailing commission amount varies depending on the issuer and type of policy purchased. The maximum trail payment for annuities is typically 1.5% of the annuity value.

The insurance companies also charge you annual internal fees for the annuity. The internal fees that you pay can include an annual contract fee, an administrative fee, a mortality and expense risk charge and internal investment expenses. In addition to the internal fees, annuities can have surrender charges if you withdraw funds from the annuity. The length and amount of the surrender charge varies by annuity. An example of a surrender charge is:

<i>Year of the Surrender Charge</i>	1	2	3	4	5	6
<i>Surrender Charge</i>	7%	7%	6%	5%	3%	0%

Some annuities have additional “living benefits” and/or “death benefits” that you can add on to the annuity. Each of the benefits has its own charges that can change from time to time. When you purchase your annuity make sure that you understand the additional charges before adding the benefit.

Please review the prospectus for your annuity to determine the exact commissions, internal fees and surrender charges that you will be charged. If you have any questions about any of these fees, please ask us before you make an investment.

Our Compensation and Conflicts of Interest

Compensation We Receive from Clients

The compensation that we receive from you engaging our firm includes upfront commissions and trailing commissions. Commissions are primarily charged at the time a transaction is executed. A general outline of the commissions paid is outlined in the sections above. The more transactions you place, the more commission we earn; thus, we have an incentive to encourage more transactions.

Compensation We Receive from Third Parties

Trail compensation: Payments from mutual fund and insurance companies in the form of distribution and/or service fees (12b-1 fees), trail commissions or renewal commissions, which are fully described in the application prospectus. Trails are typically paid from the assets of the

investment product and the amount is calculated as an annual percentage of assets invested by our customers. The more assets you invest in the product, the more trails we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The percentage of assets received varies by product, which creates an incentive to recommend products paying higher trails. We share this revenue with your financial professional. This creates a conflict for your financial professional to recommend funds paying higher trail compensation. We manage this conflict by disclosing it to you.

Mutual funds and 529 plans: The ongoing trail payments depend on the class of shares but is typically between 0.25% and 1.00% of assets annually.

Annuities: The amount and timing of trail payments vary depending on the issuer and type of policy purchased. The maximum trail payment for annuities is typically 1.5%.

Some of our financial professionals are licensed as independent insurance agents. We receive a percentage of the commission that the financial professional receives from the selling of life insurance, variable annuities, fixed annuities, and equity index annuities to you. The percentage that we receive varies depending on the amount of commission that the financial professional generates per year. This practice presents a conflict of interest because there is an incentive to recommend insurance products to you for the purpose of generating commissions.

Compensation Related to our Affiliates

Our affiliated SEC Registered Investment Advisor, Classic Asset Management, LLC, pays a percentage of the fees they earn to Classic, LLC. Certain financial professionals are registered with both Classic, LLC and Classic Asset Management, LLC. This practice presents a conflict of interest because the financial professionals have an incentive to recommend both advisory services and investment products based on the compensation received.

Compensation Received by Financial Professionals

Our financial professionals are compensated based on a percentage of the upfront commissions and trailing commissions from the investment products that they sell. The percentage of commissions that our financial professionals receive ranges from 60% to 85%, depending on the amount of commission that the financial professional generates per year. The more transactions you place with the financial professional, the more commission they earn, thus they have an incentive to encourage more transactions.

Non-Cash Compensation: Third-party providers may also give financial professionals gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial professionals with meals and entertainment of reasonable value. We want you to understand that this creates a potential conflict of interest to the extent that this may cause financial professionals to prefer those product sponsors that provide these non-cash incentives. We address these conflicts of interest by maintaining policies and procedures regarding the sale and supervision of the products and services we offer to you, including the requirement that financial professionals report the gifts they receive, and by disclosing our practices to ensure you make a fully informed decision.

Financial professionals may also receive non-cash compensation from third-party providers in the form of due diligence trips. Third-party providers may absorb the costs of travel, hotel accommodations and meals in order for a financial professional to attend conferences/meetings at which the products or services of the third-party provider are promoted. We want you to understand that this creates a potential conflict of interest to the extent that this may cause financial professionals to prefer those third-party providers that provide these non-cash incentives. We address these conflicts by requiring all due diligence trip participation by financial professionals to be reviewed and approved by the Chief Compliance Officer who ensures that the benefit received is not excessive.

Additional Resources

Title:

Web address:

Form CRS

<https://finstrat.com/disclosures>
<https://classicassetmanagement.com/disclosures>

Legal Disclosures

<https://finstrat.com/disclosures>
<https://classicassetmanagement.com/disclosures>