SENDERO

MARGIN DISCLOSURE STATEMENT

Sendero Securities, LLC ("Sendero") is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by our clearing firm. Consult with Sendero, any questions or concerns you may have regarding your margin account(s).

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from our clearing firm. If you choose to borrow funds from our clearing firm, you will open a margin account with our clearing firm. The securities purchased are our clearing firm's collateral for the loan to you. If the securities in your account(s) decline in value, so does the value of the collateral supporting your loan, and, as a result, the clearing firm can take action, such as issue a margin call and/or sell securities or other assets in any of your account(s) held with Sendero, in order to maintain the required equity in the account(s).

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the clearing firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).

- The clearing firm can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements or the clearing firm's higher "house" requirements, the clearing firm can sell the securities or other assets in any of your account(s) held at the clearing firm to cover the margin deficiency. You also will be responsible for any short fall in the account(s) after such a sale.

- The clearing firm can sell your securities or other assets without contacting you. Some investors mistakenly believe that the clearing firm must contact them for a margin call to be valid, and that the clearing firm cannot liquidate securities or other assets in their account(s) to meet the call unless the clearing firm has contacted them first. This is not the case. Most clearing firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if the clearing firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the clearing firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the clearing firm has the right to decide which security or securities to sell in order to protect its interests.

- The clearing firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Sendero to liquidate or sell securities in your account(s).

- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.