Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ___

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KESTRA FINANCIAL, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/05/2016

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

KESTRA FINANCIAL, INC.

5707 SOUTHWEST PKWY
BLDG. 2, STE. 400
AUSTIN, TX 78735

2b Employer Identification Number (EIN)
47-1566880

2c Plan Sponsor's telephone number
844-559-7872

2d Business code (see instructions)
523110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2018	MARY HJORTH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	330
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	293
a(2) Total number of active participants at the end of the plan year	**6a(2)**	324
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	26
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	350
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**.	**6f**	351
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	266
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2G 2J 2K 2R 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....…… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2017** **This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
KESTRA FINANCIAL, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KESTRA FINANCIAL, INC.

D Employer Identification Number (EIN)
47-1566880

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CAHRLES SCHWAB & CO. INC. AND AFFIL

94-1737782

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

SCHWAB RETIREMENT PLAN SERVICES INC

34-1479833

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50 64	NONE	36063	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB & CO., INC.

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 50 59 62 71	NONE	1466	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB BANK

42-1558009

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
25 49 50 52 62	NONE	2	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLRES SCHWAB & CO INC AND AFFILI	59	0
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
SEE ATTACHMENT 13-2665689	SEE ATTACHMENT	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
KESTRA FINANCIAL, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KESTRA FINANCIAL, INC.

D Employer Identification Number (EIN)
47-1566880

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH AGGRESSIVE RT I1

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-2836296-225	C	51661

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH CONSERVATIVE 2025

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-2961375-230	C	112338

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX AGGRESSIVE 2025

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-2935740-228	C	764760

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX AGGRESSIVE 2035

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-2987118-231	C	787949

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX AGGRESSIVE 2045

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-3026996-234	C	1290633

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX AGGRESSIVE 2055

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-3170652-237	C	402406

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX CONSERVATIVE 2035

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
47-3018134-233	C	123191

a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX CONSERVATIVE 2045			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-3144367-236	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	52115
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX CONSERVATIVE RET			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-2916729-227	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	26251
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX MODERATE 2025 I1			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-2950747-229	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	722084
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX MODERATE 2045 I1			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-3071639-235	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	340354
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX MODERATE 2055 I1			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-3188067-238	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	265304
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX MODERATE RT I1			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-2851418-226	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	56740
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPTH IDX MODERATE 2035 I1			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICE COMPANY			
c EIN-PN 47-3002484-232	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	119332
a Name of MTIA, CCT, PSA, or 103-12 IE: MORLEY STABLE VALUE FD			
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST COMPANY			
c EIN-PN 93-6274329-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	758799
a Name of MTIA, CCT, PSA, or 103-12 IE: FLEXPATH IDX CONSERVATIVE 2055			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT AND INSTITUTIONAL SERVICES COMPANY			
c EIN-PN 47-3216409-239	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	842
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
KESTRA FINANCIAL, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KESTRA FINANCIAL, INC.

D Employer Identification Number (EIN)
47-1566880

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	77946	83905
(2) Participant contributions	1b(2)	29445	24000
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	346991	452473
(9) Value of interest in common/collective trusts	1c(9)	4628099	5874759
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	9104955	10647655
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	3260065	3911939

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	17447501	20994731
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	17447501	20994731

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	655927	
	(B) Participants	2a(1)(B)	1997284	
	(C) Others (including rollovers)	2a(1)(C)	449645	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3102856
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	18177	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		18177
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	496634	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		496634
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		791644
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1304260
c Other income	2c		513607
d Total income. Add all **income** amounts in column (b) and enter total	2d		6227178
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2634313	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		2634313
f Corrective distributions (see instructions)	2f		5779
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	3868	
(4) Other	2i(4)	35988	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		39856
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2679948
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3547230
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG (2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
KESTRA FINANCIAL, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KESTRA FINANCIAL, INC.

D Employer Identification Number (EIN)
47-1566880

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-1558009

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Kestra Financial, Inc.

401(K) Plan

Financial Statements and Supplemental Schedules

As of December 31, 2017 and 2016,
and for the Year Ended December 31, 2017

With Report of Independent Auditors

KESTRA FINANCIAL, INC. 401(K) PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Ernst & Young LLP
5 Times Square
New York, NY
10036-6530

Tel: +1 212 773 3000
ey.com

Report of Independent Auditors

To the Board of Managers
Kestra Financial Holdings GP LLC

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Kestra Financial, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 4, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained a certifications as of December 31, 2017 and 2016, and for the year ended December 31, 2017, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Building a better working world

Disclaimer of Opinion on Supplemental Schedule

The accompanying supplemental schedule of assets (held at end of the year) as of December 31, 2017 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

August 30, 2018

KESTRA FINANCIAL, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS:		
Investments, at fair value:		
Registered investment companies	$ 10,647,655	$ 9,104,955
Self-directed brokerage accounts	3,911,939	3,260,065
Investments, at fair value	14,559,594	12,365,020
Common / collective trusts	5,874,759	4,628,099
Total investments	20,434,353	16,993,119
Receivables:		
Company contributions	83,905	77,946
Participant contributions	24,000	29,446
Notes receivable from participants	452,473	346,991
Total receivables	560,378	454,383
Total assets	20,994,731	17,447,502
NET ASSETS AVAILABLE FOR BENEFITS	$ 20,994,731	$ 17,447,502

See notes to financial statements.

KESTRA FINANCIAL, INC. 401(K) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2017

ADDITIONS:		
Investment income		
Net appreciation in fair value of investments	$ 2,609,512	
Interest and dividend income	496,634	
Total investment income		3,106,146
Interest income from notes receivable from participants		18,177
Contributions:		
Company contributions	655,927	
Participant contributions	1,991,505	
Rollover contributions	449,645	
Total contributions		3,097,077
Total additions		6,221,400
DEDUCTIONS:		
Distributions	2,634,313	
Administrative expenses	39,858	
Total deductions		2,674,171
NET INCREASE		3,547,229
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR		17,447,502
END OF YEAR		$ 20,994,731

KESTRA FINANCIAL, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017 AND 2016, AND FOR THE YEAR ENDED DECEMBER 31, 2017

1. PLAN DESCRIPTION

The following description of the Kestra Financial, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan that covers all employees and principals of the Kestra Financial, Inc. (the "Company" or "Employer"), and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Employees and principals are eligible to participate in the Plan upon attaining age 21 and completion of three months of service for all full-time employees/principals or work at least 1,000 hours of service for all part-time employees. Plan entry occurs as soon as administratively feasible once the eligibility requirements are met. The Plan is subject to the provisions of ERISA.

On June 24, 2016, Kestra Financial Holdings LP acquired Kestra Advisor Services Holdings A, Inc., the ultimate parent of the Company and its Subsidiaries, from NFP Holdings LLC. Subsequently, effective August 5, 2016 (Inception Date), assets representing the account balances of the participants employed by the Company were transferred from NFP Corp. 401(K) Plan to the Plan.

The Plan is administered under a written plan and trust agreement, which determines Charles Schwab Bank as the Plan's trustee. All matters that concern the operation of the Plan are the responsibility of the Fiduciary Committee (the "Committee", the "Plan Administrator") that serves at the discretion of the Company's Board of Directors. The Committee is responsible for all matters, including, but not limited to, determining eligibility, rights to benefits, interpreting Plan documents, directing the Plan's trustee and maintaining participant accounts.

In accordance with IRS requirements to review and rewrite plan documents for ongoing changes in regulations, the Plan documents were created to follow a prototype plan design.

Participant Accounts – Each participant's account is credited with the participant's contributions and an allocation of the Company's discretionary contribution, if any, Plan earnings / (losses) and administrative expenses. Allocations are based on the participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Contributions – Each year, participants generally may contribute a minimum of 1% up to 100% of their pre-tax annual compensation, subject to Internal Revenue Code (IRC) limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan also allows participants to make Roth contributions to the Plan on an after-tax basis, and allows rollovers of designated Roth contributions into the Plan.

The Plan provides for discretionary Company matching contributions for participants who have completed at least three months of service, as defined in the Plan. The Company provided a discretionary contribution equal to 50% of the first 6% of an employee's contribution in cash for the

period from the inception date to December 31, 2017. Contributions are subject to certain IRC limitations.

Vesting – Participants are immediately vested in their contributions and rollovers into the plan, plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of credited service. A participant vests 1/3 each year and is 100% vested after three years of credited service.

Notes Receivable from Participants – Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. General purpose note receivable terms range from 1-5 years. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with local prevailing rates as determined by the Plan Administrator. The interest rate on notes receivables outstanding ranged from 4.25 percent to 7.75 percent at December 31, 2017. Principal and interest are paid ratably through payroll deductions.

Investment Options – Upon enrollment in the Plan, a participant may direct contributions in a variety of investment choices as more fully described in the Plan's document, including self-directed brokerage accounts. Participants may change their investment options at any time.

Payment of Benefits – A participant's vested account balance is payable upon termination of service, death, attainment of age 59-1/2, total disability or retirement. Benefits are paid in a single lump-sum amount or in installments, as described in the Plan's document. If the participant's vested interest in the Plan is less than $1,000, a mandatory lump-sum distribution may be made to the participant. Hardship withdrawals are permitted under certain circumstances.

Administrative Expenses – Participants are charged fees for certain transactions including loans and, in some cases, other transaction related expenses.

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation of fair value of investments.

The Plan paid administrative expenses of $39,856 for the period from the year ended December 31, 2017. All other expenses were paid by the Company.

Forfeitures – Forfeited non-vested Employer matching contributions are Employer specific and are used for the purpose of reducing the current or future Company contributions or administrative expenses. There was $2,698 forfeited non-vested balance as of December 31, 2017.

Termination Priorities – Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its discretionary contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Accounting Estimates – The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties – The Plan invests in various investment options. Investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes would materially affect participants' account balances and the amounts reported in the financial statements.

Investment Valuation and Income Recognition – The Plan's investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fiduciary Committee determines the Plan's valuation policies utilizing information provided by the investment custodian. See Note 3 for discussion of fair value measurements.

Securities transactions are recorded on a trade-date basis and dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits – Benefit payments are recorded upon distribution.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (the "FASB") Issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the new asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the new asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015; for all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. The Plan early adopted this update effective December 31, 2016. The Company's financial statements were prepared based on the ASU 2015-07 provisions.

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans*

(Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force). The Plan adopted these standards effective December 31, 2016. The purpose of this update is to simplify plan accounting.

- The amendments in Part I of this update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit-responsive investment contracts will be presented at contract value; accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements.

- The amendments in Part II of this update will eliminate the requirements for plans to disclose (1) individual investments that represent 5 percent or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant-directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, Annual Return/Report of Employee Benefit Plan, as a direct filing entity, disclosure of that investment's strategy will no longer be required. The requirement to disaggregate participant-directed investments within a self-directed brokerage account has also been eliminated. Self-directed brokerage accounts should be reported as a single type of investment.

- The amendments in Part III of this update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

Management early adopted Part II. Parts I and III are not applicable to the Plan.

In July 2018, the FASB issued ASU 2018-09, *Codification Improvements,* which, among other things, amends an illustrative example of a fair value hierarchy disclosure to indicate that a certain type of investment should not always be considered to be eligible to use the net asset value per share practical expedient. Also, it further clarifies that an entity should evaluate whether a readily determinable fair value exists or whether its investments qualify for net asset value per share practical expedient in accordance with ASC 820, *Fair Value Measurement.* Adoption of the amended guidance, which is to be applied prospectively, affects the fair value disclosures, but does not change the fair value measurement of the investments. The Company is currently assessing the potential impact of the adoption of ASU 2018-09 on the fair value disclosures.

Subsequent Events – The financial statements and related disclosures include evaluation of events through August 30, 2018, which is the date the financial statements were available to be issued. No material subsequent events have occurred through that date that required recognition in the financial statements.

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1	Inputs that are quoted prices (unadjusted) for identical assets in active markets to which the Plan has access.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability, including: • quoted prices for similar assets or liabilities in active markets; • quoted prices for similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.
Level 3	Inputs that are unobservable and reflect the Plan's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances (e.g., internally derived assumptions surrounding the timing and amount of expected cash flows).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for Plan assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017.

Registered Investment Companies: Registered investment companies held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. The shares of registered investment companies held by the Plan are valued at the daily closing price and deemed to be actively traded.

Self-directed brokerage accounts: Valued based on the daily closing price as reported by types of assets including common stock, mutual funds and unit investment trusts.

Common / Collective Trusts: Valued based on net asset value (NAV) of units of the common collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimating fair value. The NAV is based upon the fair value of the underlying investments comprising the trust less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017 and 2016.

Assets at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 10,647,655	$ -	$ -	$10,647,655
Self-directed brokerage accounts	3,911,939	-	-	3,911,939
Total investments at fair value	$14,559,594	$ -	$ -	$14,559,594
Common/collective trusts at net asset value *				5,874,759
Total investments	$14,559,594	$ -	$ -	$20,434,353

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 9,104,955	$ -	$ -	$ 9,104,955
Self-directed brokerage accounts	3,260,065	-	-	3,260,065
Total investments at fair value	$ 12,365,020	$ -	$ -	$ 12,365,020
Common/collective trusts at net asset value *				4,628,099
Total investments	$ 12,365,020	$ -	$ -	$ 16,993,119

*The common / collective trusts, which are measured at net asset value per share (or its equivalent) practical expedient, has not been categorized in the fair value hierarchy. The fair value amounts presented in the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

3. FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth the fair value of investments in certain funds that calculate net asset value per share (or its equivalent) at December 31, 2017:

2017 Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period	
FLEXPATH AGGRESSIVE RT I1	$ 51,661	$ -	Daily	5 days	
FLEXPATH CONSERVATIVE 2025	112,338	-	Daily	5 days	
FLEXPATH IDX AGGRESSIVE 2025	764,760	-	Daily	5 days	
FLEXPATH IDX AGGRESSIVE 2035	787,949	-	Daily	5 days	
FLEXPATH IDX AGGRESSIVE 2045	1,290,633	-	Daily	5 days	*
FLEXPATH IDX AGGRESSIVE 2055	402,406	-	Daily	5 days	*
FLEXPATH IDX CONSERVATIVE 2035	123,191	-	Daily	5 days	*
FLEXPATH IDX CONSERVATIVE 2045	52,115	-	Daily	5 days	*
FLEXPATH IDX CONSERVATIVE 2055	842	-	Daily	5 days	*
FLEXPATH IDX CONSERVATIVE RET	26,251	-	Daily	5 days	*
FLEXPATH IDX MODERATE 2025 I1	722,084	-	Daily	5 days	*
FLEXPATH IDX MODERATE 2045 I1	340,354	-	Daily	5 days	*
FLEXPATH IDX MODERATE 2055 I1	265,304	-	Daily	5 days	*
FLEXPATH IDX MODERATE RT I1	56,740	-	Daily	5 days	*
FLEXPTH IDX MODERATE 2035 I1	119,332	-	Daily	5 days	*
MORLEY STABLE VALUE FD	758,799	-	30 days	12 months	*
	$ 5,874,759	$ -			

* For redemptions greater than $1,000,000

Changes in Fair Value Levels

We evaluate the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2017, there were no transfers in or out of Level 1, 2 or 3.

4. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedules, including investments held, self-directed brokerage accounts and notes receivable from participants at December 31, 2017 and December 31, 2016, and net appreciation (depreciation) in fair value of investments, interest, dividends, and interest income on notes receivable for the year ended December 31, 2017, was obtained or derived from information provided to the Plan Administrator and certified as complete and accurate by the Charles Schwab Trust Company, the trustee of the Plan.

5. FEDERAL INCOME TAX STATUS

The underlying prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated June 2014, stating that the written form of the underlying prototype document is qualified under Section 401 of the Internal Revenue Code (the Code). Any employer adopting this form of the plan will be considered to have a plan qualified under Section 401 of the Code, and, therefore, the related trust is tax-exempt. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

6. PARTY-IN-INTEREST TRANSACTIONS

The Plan's investments were held and invested by The Charles Schwab Trust Company (Schwab), as the trustee, as of December 31, 2017. These transactions, therefore, qualify as party-in-interest. Schwab also performs administrative and recordkeeping services for the Plan. The amount paid to Schwab by the Plan totaled $39,856 for the Plan year ended December 31, 2017.

Certain employees of the Company perform administrative services for the Plan. These employees receive no compensation from the Plan for their services. Certain other administrative expenses are paid by the Company on behalf of the Plan.

KESTRA FINANCIAL, INC. 401(K) PLAN
EIN 47-1566880
Plan Number: 001
FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (Held at End of Year)
DECEMBER 31, 2017

(a)*	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Units/ Shares	(e) Cost	(f) Current Value
	FLEXPATH AGGRESSIVE RT I1	COMMON COLLECTIVE TRUST FUND	4,500	**	51,661
	FLEXPATH CONSERVATIVE 2025	COMMON COLLECTIVE TRUST FUND	9,872	**	112,338
	FLEXPATH IDX AGGRESSIVE 2025	COMMON COLLECTIVE TRUST FUND	64,374	**	764,760
	FLEXPATH IDX AGGRESSIVE 2035	COMMON COLLECTIVE TRUST FUND	64,692	**	787,949
	FLEXPATH IDX AGGRESSIVE 2045	COMMON COLLECTIVE TRUST FUND	105,015	**	1,290,633
	FLEXPATH IDX AGGRESSIVE 2055	COMMON COLLECTIVE TRUST FUND	32,716	**	402,406
	FLEXPATH IDX CONSERVATIVE 2035	COMMON COLLECTIVE TRUST FUND	10,538	**	123,191
	FLEXPATH IDX CONSERVATIVE 2045	COMMON COLLECTIVE TRUST FUND	4,307	**	52,115
	FLEXPATH IDX CONSERVATIVE 2055	COMMON COLLECTIVE TRUST FUND	68	**	842
	FLEXPATH IDX CONSERVATIVE RET	COMMON COLLECTIVE TRUST FUND	2,367	**	26,251
	FLEXPATH IDX MODERATE 2025 I1	COMMON COLLECTIVE TRUST FUND	62,035	**	722,084
	FLEXPATH IDX MODERATE 2045 I1	COMMON COLLECTIVE TRUST FUND	27,784	**	340,354
	FLEXPATH IDX MODERATE 2055 I1	COMMON COLLECTIVE TRUST FUND	21,587	**	265,304
	FLEXPATH IDX MODERATE RT I1	COMMON COLLECTIVE TRUST FUND	5,026	**	56,740
	FLEXPTH IDX MODERATE 2035 I1	COMMON COLLECTIVE TRUST FUND	9,953	**	119,332
	MORLEY STABLE VALUE FD	COMMON COLLECTIVE TRUST FUND	29,638	**	758,799
					5,874,759
	DFA U.S. TARGETED VALUE CL I	REGISTERED INVESTMENT COMPANIES	39,244	**	976,791
	DOUBLELINE CORE FIXED INCOME I	REGISTERED INVESTMENT COMPANIES	22,503	**	246,863
	EUROPACIFIC GROWTH R6	REGISTERED INVESTMENT COMPANIES	31,424	**	1,764,116
	ISHARES MSCI TOTAL INTL IDX K	REGISTERED INVESTMENT COMPANIES	23,827	**	233,982
	ISHARES RSSLL 2000 SMCP IDX K	REGISTERED INVESTMENT COMPANIES	46,481	**	918,920
	ISHARES S&P 500 INDEX K	REGISTERED INVESTMENT COMPANIES	7,366	**	2,345,338
	ISHARES US AGGREGATE BD INDX K	REGISTERED INVESTMENT COMPANIES	58,281	**	590,384
	JOHN HANCOCK DISC VALUE R6	REGISTERED INVESTMENT COMPANIES	64,273	**	1,405,644
	MAINSTAY LARGE CAP GROWTH R6	REGISTERED INVESTMENT COMPANIES	134,885	**	1,316,480
	WF SMALL COMPANY GROWTH INST	REGISTERED INVESTMENT COMPANIES	15,961	**	849,136
					10,647,655
	PERSONAL CHOICE RETIREMENT	SELF DIRECTED BROKERAGE ACCOUNTS		**	178,089
	PERSONAL CHOICE RETIREMENT 2	SELF DIRECTED BROKERAGE ACCOUNTS		**	3,733,850
					3,911,939
	PARTICIPANT LOANS	(interest rates ranging from 4.25% to 7.75%)			452,473
					452,473
	TOTAL ASSETS				**20,886,826**

*** (a) Party-in-interest**

** Not applicable for participant directed investment

Kestra Financial, Inc. 401(k) Plan
Schedule C, Part I, Line 3 - Service Provider Indirect Compensation Information
December 31, 2017

EIN: 47-1566880
Plan Number: 001

Received By Charles Schwab & Co., Inc. (EIN: 94-1737782)

Fund Family/Provider	EIN	Formula
Alger	13-2665689	Rate of 0.40% of average daily balance of asset(s)
Allianz Funds	06-1349805	Range of 0.35 - 0.50% of average daily balance of assets
American Funds	95-1411037	Rate of 0.37% of average daily balance of asset(s)
AQR Funds	Not Available	Rate of 0.40% of average daily balance of asset(s)
BlackRock	04-6171663	Rate of 0.40% of average daily balance of asset(s)
BMO Funds	Not Available	Rate of 0.40% of average daily balance of asset(s)
Boston Trust & Walden Funds	94-2854774	Rate of 0.40% of average daily balance of asset(s)
Brandes	33-0635360	Rate of 0.40% of average daily balance of asset(s)
Delaware Funds by Macquarie	Not Available	Rate of 0.40% of average daily balance of asset(s)
DoubleLine	Not Available	Rate of 0.10% of average daily balance of asset(s)
Federated	25-1111467	Range of 0.40 - 0.50% of average daily balance of assets
First Eagle	13-3392291	Rate of 0.40% of average daily balance of asset(s)
FMI Funds	39-1861095	Rate of 0.40% of average daily balance of asset(s)
Hartford Mutual Funds	13-3317783	Rate of 0.40% of average daily balance of asset(s)
Janus Henderson	43-1804048	Rate of 0.35% of average daily balance of asset(s)
Jensen	93-0978027	Rate of 0.40% of average daily balance of asset(s)
John Hancock	04-3483032	Rate of 0.50% of average daily balance of asset(s)
JPMorgan	13-2624428	Rate of 0.50% of average daily balance of asset(s)
Lord Abbett	13-3731507	Rate of 0.30% of average daily balance of asset(s)
Nuveen	36-3817266	Rate of 0.40% of average daily balance of asset(s)
Parnassus	94-6579180	Rate of 0.40% of average daily balance of asset(s)
Schwab Funds	94-3106735	Range of 0.02 - 0.25% of average daily balance of assets
Tributary Funds	Not Available	Rate of 0.40% of average daily balance of asset(s)
USA Mutuals	Not Available	Rate of 0.40% of average daily balance of asset(s)
Wells Fargo Funds	41-0449260	Rate of 0.15% of average daily balance of asset(s)

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

NAME OF PLAN SPONSOR: Kestra Financial, Inc.
NAME OF PLAN: Kestra Financial, Inc. 401(k) Plan
EIN: 47-1566880
PLAN NUMBER: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	PARTICIPANT LOANS	Loans (4.25% - 7.75%)		452,473
	FLEXPATH AGGRESSIVE RT I1	Common Collective Trust Fund		51,661
	FLEXPATH CONSERVATIVE 2025	Common Collective Trust Fund		112,338
	FLEXPATH IDX AGGRESSIVE 2025	Common Collective Trust Fund		764,760
	FLEXPATH IDX AGGRESSIVE 2035	Common Collective Trust Fund		787,949
	FLEXPATH IDX AGGRESSIVE 2045	Common Collective Trust Fund		1,290,633
	FLEXPATH IDX AGGRESSIVE 2055	Common Collective Trust Fund		402,406
	FLEXPATH IDX CONSERVATIVE 2035	Common Collective Trust Fund		123,191
	FLEXPATH IDX CONSERVATIVE 2045	Common Collective Trust Fund		52,115
	FLEXPATH IDX CONSERVATIVE 2055	Common Collective Trust Fund		842
	FLEXPATH IDX CONSERVATIVE RET	Common Collective Trust Fund		26,251
	FLEXPATH IDX MODERATE 2025 I1	Common Collective Trust Fund		722,084
	FLEXPATH IDX MODERATE 2045 I1	Common Collective Trust Fund		340,354
	FLEXPATH IDX MODERATE 2055 I1	Common Collective Trust Fund		265,304
	FLEXPATH IDX MODERATE RT I1	Common Collective Trust Fund		56,740
	FLEXPTH IDX MODERATE 2035 I1	Common Collective Trust Fund		119,332
	MORLEY STABLE VALUE FD	Common Collective Trust Fund		758,799
	PCRA	Self-Directed Brokerage Account		3,911,939
	DFA U.S. TARGETED VALUE CL I	Registered Investment Company		976,791
	DOUBLELINE CORE FIXED INCOME I	Registered Investment Company		246,863
	EUROPACIFIC GROWTH R6	Registered Investment Company		1,764,116
	ISHARES MSCI TOTAL INTL IDX K	Registered Investment Company		233,982
	ISHARES RSSLL 2000 SMCP IDX K	Registered Investment Company		918,920
	ISHARES S&P 500 INDEX K	Registered Investment Company		2,345,339
	ISHARES US AGGREGATE BD INDX K	Registered Investment Company		590,384
	JOHN HANCOCK DISC VALUE R6	Registered Investment Company		1,405,644
	MAINSTAY LARGE CAP GROWTH R6	Registered Investment Company		1,316,480
	WF SMALL COMPANY GROWTH INST	Registered Investment Company		849,136

* Party-in-interest