

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
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.) ☒ 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:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>KESTRA FINANCIAL, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>08/05/2016</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>08/05/2016</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>08/05/2016</u>					
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) <u>KESTRA FINANCIAL, INC.</u> <u>5707 SOUTHWEST PARKWAY</u> <u>BLDG. 2, STE. 400</u> <u>AUSTIN, TX 78735</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>47-1566880</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>844-559-7872</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>523110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>47-1566880</u>	2c Plan Sponsor's telephone number <u>844-559-7872</u>	2d Business code (see instructions) <u>523110</u>	
2b Employer Identification Number (EIN) <u>47-1566880</u>					
2c Plan Sponsor's telephone number <u>844-559-7872</u>					
2d Business code (see instructions) <u>523110</u>					

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.	09/22/2022	STEVE HARDY
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ 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	662
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)	590
a(2) Total number of active participants at the end of the plan year		6a(2)	630
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	109
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	739
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	1
f Total. Add lines 6d and 6e		6f	740
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	603
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	43
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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ 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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
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)
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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)..... ☒ 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
CHARLES 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	77269	Yes ☐ No ☒	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	554	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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
CHARLES SCHWAB & CO. INC. AND AFFIL	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 43-0821857	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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>KESTRA FINANCIAL, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>KESTRA FINANCIAL, INC.</u>	D Employer Identification Number (EIN) <u>47-1566880</u>	

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IND+ AGG RET FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-2836296-225</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>156354</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMGT TR CIT FXP IDX+ CONS 2025 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-2961375-230</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>28249</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IDX+ AGG 2025 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-2935740-228</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1438857</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IDX+ AGG 2035 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-2987118-231</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1283962</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IDX+ AGG 2045 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-3026996-234</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2432012</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IDX+ AGG 2055 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-3170652-237</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1320392</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WILMIGTN TR CIT FXP IDX+ CON 2035 FD</u>		
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST, N.A.</u>		
c EIN-PN <u>47-3018134-233</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>402514</u>

a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ CON 2045 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 123615
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ CON 2055 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 79695
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IND+ CONS RET FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 104006
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ MOD 2025 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 2397046
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ MOD 2045 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 2743372
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ MOD 2055 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 474134
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ MOD RET FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 360263
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a Name of MTIA, CCT, PSA, or 103-12 IE: WILMGTN TR CIT FXP IDX+ MOD 2035 FD

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

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) 1717415
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a Name of MTIA, CCT, PSA, or 103-12 IE: MORLEY STABLE VALUE FUND

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) 2654389
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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)
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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**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**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 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
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)	161694	104612
(2) Participant contributions.....	1b(2)	121039	127015
(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)	714903	746987
(9) Value of interest in common/collective trusts.....	1c(9)	16837643	17716275
(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)	23009118	29350542
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	8800026	6590833

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	49644423	54636264

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	49644423	54636264
---	----	----------	----------

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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1539437	
(B) Participants	2a(1)(B)	5183091	
(C) Others (including rollovers).....	2a(1)(C)	2066169	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		8788697

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)	36262	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		36262
(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)	2262255	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		2262255
(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)		2018761
(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)		1954138
c Other income.....	2c		1088870
d Total income. Add all income amounts in column (b) and enter total.....	2d		16148983
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	11073878	
(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)		11073878
f Corrective distributions (see instructions).....	2f		
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)	5995	
(4) Other.....	2i(4)	77269	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		83264
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		11157142
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		4991841
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) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **BAKER TILLY VIRCHOW KRAUSE, LLP**

(2) EIN: **39-0859910**

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:

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.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	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?		X	
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.)	X		
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			

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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>KESTRA FINANCIAL, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KESTRA FINANCIAL, INC.</u>	D Employer Identification Number (EIN) <u>47-1566880</u>

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	<u>0</u>
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): <u>82-3967259</u>		
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
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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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

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): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Kestra Financial, Inc. 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Kestra Financial, Inc. 401(k) Plan

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December 31, 2021 and 2020

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Independent Auditors' Report

To the Participants and Plan Administrator of
Kestra Financial, Inc. 401(k) Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements

We have performed an audit of the financial statements of Kestra Financial, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matter - 2021 Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year), as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 13, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.



Plano, Texas
September 6, 2022

Kestra Financial, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments at fair value:		
Mutual funds of registered investment companies	\$ 29,350,542	\$ 23,009,118
Self-directed brokerage accounts	6,590,833	8,800,026
Common collective trusts	<u>17,716,275</u>	<u>16,837,643</u>
Total investments at fair value	<u>53,657,650</u>	<u>48,646,787</u>
Receivables:		
Participant contributions	127,015	121,039
Company contributions	104,612	161,694
Notes receivable from participants	<u>746,987</u>	<u>714,903</u>
Total receivables	<u>978,614</u>	<u>997,636</u>
Net assets available for benefits	<u><u>\$ 54,636,264</u></u>	<u><u>\$ 49,644,423</u></u>

See notes to financial statements

Kestra Financial, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2021

Additions

Investment income:

Interest and dividends	\$ 2,262,255
Net appreciation of fair value of investments	<u>5,055,774</u>

Total investment income	<u>7,318,029</u>
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Interest income on notes receivable from participants	<u>36,262</u>
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Contributions:

Participants	5,183,091
Company, net	1,539,437
Rollovers	<u>2,066,169</u>

Total contributions	<u>8,788,697</u>
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Total additions	<u>16,142,988</u>
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Deductions

Benefits paid to participants	11,073,878
Administrative expenses	<u>77,269</u>

Total deductions	<u>11,151,147</u>
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Net increase	4,991,841
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Net Assets Available For Benefits

Beginning of year	<u>49,644,423</u>
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End of year	<u>\$ 54,636,264</u>
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Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements
December 31, 2021 and 2020

1. Description of the Plan

General

Kestra Financial, Inc. 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was established on August 5, 2016, covering substantially all employees of Kestra Financial, Inc., (the Company or Plan Administrator). Charles Schwab Trust Bank serves as the trustee (Trustee). Schwab Retirement Plan Services, Inc. (SRPS) has been retained to provide recordkeeping services for the Plan. The following description provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Eligibility and Participant Accounts

The Plan covers all full-time employees, except union employees, nonresident aliens, and leased employees. Part-time and temporary employees must work at least 1,000 hours to become eligible. Employees become eligible for participation on the first day of the month upon reaching the age of twenty-one and upon completion of three months of service. Subject to certain limitations on annual additions, each participant's account is credited with employee elective deferrals, Company discretionary contributions, and an allocation of plan earnings or losses, and charged with certain administrative expenses.

Contributions

The Plan is funded through employee elective deferrals and Company contributions. A participant may elect to contribute a portion of his or her pretax or after-tax (Roth) compensation from 1% to 100%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) (\$19,500 for 2021). Effective October 1, 2021, participants may elect to contribute a portion of his or her after tax compensation from 1% to 100% subject to IRC limitations. Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC (\$6,500 for 2021). Rollover contributions representing distributions from other qualified defined benefit or defined contribution plans are permitted and may be contributed prior to meeting the eligibility requirements for participation in the Plan.

The Plan allows for Company discretionary matching contributions in amounts to be determined by the Company. For the year ended December 31, 2021, the Company elected to contribute a matching contribution in the amount of 50% of participant elective deferrals up to 6% of a participant's eligible compensation. Company contributions are remitted on a pay period basis but are trued up based on annual compensation in the subsequent year.

Benefits Paid to Participants

Participants may withdraw amounts from their account equal to their vested account balance for reasons of disability, retirement, death (withdrawn by participant's estate), or termination. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions.

For vested account balances greater than \$5,000, participants may elect a distribution in the form of a single lump sum payment. Upon termination, vested account balances less than \$5,000 may be distributed to the applicable terminated participant within a reasonable time after terminating employment or rolled over to an individual retirement account selected by the Plan Administrator.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

Investment Options

The Plan provides for contributions to be invested by the participants among a variety of mutual funds of registered investment companies, self-directed brokerage accounts, and common collective trusts in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the plan website for additional fund information.

Vesting

Participants are immediately vested in elective deferrals and rollover contributions plus actual earnings, thereon. Vesting in the Company's discretionary contributions, plus actual earnings thereon, is based on years of continuous service. Participants vest 33% per year beginning after one year of qualified service and are 100% vested after three years of qualified service or upon occurrence of the participant's retirement, death, or disability, as defined by the plan document.

Forfeitures

Forfeitures of terminated participants' nonvested accounts are available to pay administrative expenses or reduce Company contributions. As of December 31, 2021 and 2020, there were forfeitures of \$75,301 and \$38,194 available, respectively. These amounts are reported as a component of net assets available for benefits. During the year ended December 31, 2021, forfeitures of \$43,173 were used to reduce Company matching contributions.

Notes Receivable From Participants

Borrowings are available to all participants. Notes receivable from participants are limited to a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service (IRS). Note terms range from one to five years, unless for the purchase of a primary residence, in which case the Plan Administrator may permit a longer repayment term of up to thirty years. The notes receivable from participants are secured by the vested balance in the participant's account and bear a reasonable interest rate, as determined by the Plan Administrator. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. As of December 31, 2021, notes receivable from participants have interest rates ranging from 4.25% to 7.75%, and maturity dates ranging from January 2022 through December 2051. Notes receivable from participants as of December 31, 2020, have interest rates ranging from 4.25% to 7.75%, and maturity dates ranging from January 2021 through December 2049.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a nonforfeitable, 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value 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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) of fair value of investments includes the gains and losses on the 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 balances plus any accrued but unpaid interest. Delinquent notes receivables from participants are reclassified as distributions based upon terms of the plan document or notes policy of the Plan. Notes receivable are valued at amortized cost which approximates fair value. No allowance for credit losses has been recorded as of December 31, 2021 or 2020.

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 authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements
December 31, 2021 and 2020

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 observables and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds of registered investment companies are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

Self-directed brokerage accounts are valued at NAV or quoted market prices of mutual funds of registered investment companies or stock shares held by the brokerage funds at year end.

Common collective trusts are valued at NAV of units of the common collective trust. The NAV, as provided by the Trustees, 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. There were no unfunded commitments as of December 31, 2021 and 2020. The redemption frequency for each investment is daily, with the exception of the Morley Stable Value Fund, which is 30 days. The redemption notice period is 5 days for all investments, with the exception of the Morley Stable Value Fund, which is 12 months.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan believes its valuation methods are appropriate and consistent with other market participants; even so, 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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds of registered investment companies	\$ 29,350,542	\$ -	\$ -	\$ 29,350,542
Self-directed brokerage accounts	6,590,833	-	-	6,590,833
Total assets in the fair value hierarchy	<u>\$ 35,941,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,941,375</u>
Investments measured at net asset value (a)				
Common collective trusts				<u>17,716,275</u>
Total investments at fair value				<u>\$ 53,657,650</u>

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements
December 31, 2021 and 2020

Assets at Fair Value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Mutual funds of registered investment companies	\$ 23,009,118	\$ -	\$ -	\$ 23,009,118
Self-directed brokerage accounts	8,800,026	-	-	8,800,026
Total assets in the fair value hierarchy	<u>\$ 31,809,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,809,144</u>
Investments measured at net asset value (a)				
Common collective trusts				16,837,643
Total investments at fair value				<u>\$ 48,646,787</u>

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the net assets.

In accordance with the fair value measurement and disclosures guidance the following tables present the category, fair value, redemption frequency and redemption notice period for those plan investments, whose fair value was estimated using the NAV per share as of December 31, 2021 and 2020.

December 31, 2021			
	Fair Value	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 17,716,275	Daily	5 days
December 31, 2020			
	Fair Value	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 16,837,643	Daily	5 days

4. Information Certified by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee, of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2021 and 2020, and the supplemental Schedule H, Line 4(i) - Schedule of Assets (held at End of Year) as of December 31, 2021, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2021.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements
December 31, 2021 and 2020

5. Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, concentration, market, and credit risks. Market risks include global events, such as pandemic or international conflict, which could impact the value of investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

6. Related-Party and Party In Interest Transactions

Certain of the Plan's investments are managed by the Trustee; and therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

7. Tax Status

The Plan is based on a prototype non-standardized profit sharing plan with CODA developed by Schwab Retirement Plan Services, Inc., which received a favorable advisory letter dated June 19, 2014, from the IRS stating that the prototype plan constitutes a qualified plan under Section 401 of the IRC. The Company believes the Plan, as adopted and amended, is operating within the guidelines of the IRC, and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the DOL or IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Reconciliation of Financial Statements to Form 5500

There are no reconciling items between the net assets reported in the audited financial statements and the Schedule H of the Form 5500 as of and for the year ended December 31, 2021.

9. Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Plan has evaluated events or transactions occurring after December 31, 2021, the Statement of Net Assets Available for Benefits date, through September 6, 2022, the date the financial statements were issued, and determined there were no events that would impact the financial statements as of and for the year ended December 31, 2021; except as disclosed below:

Effective January 14, 2022, The Plan was amended and restated to a non-standardized pre-approved profit sharing/money purchase/CODA plan developed by Schwab Retirement Plan Services, Inc., which received a favorable advisory letter dated September 21, 2020.

Kestra Financial, Inc. 401(k) Plan

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

EIN: 47-1566880 Plan Number: 001

December 31, 2021

(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
Mutual Funds of registered investment companies				
	State Street	Ishares S&P 500 Index K	N/R	\$ 8,422,605
	New York Life	Mainstay Large Cap Growth R6	N/R	4,899,119
	American Funds	Europacific Growth R6	N/R	3,344,185
	John Hancock	John Hancock Disc Value R6	N/R	2,456,903
	Ishares	Ishares RSSLL 2000 SMCP Index k	N/R	2,017,370
	Allspring	SPE Small Cap VAL R6	N/R	2,015,849
	JPMorgan	JPMorgan Small Cap Growth R6	N/R	1,307,265
	BlackRock	Ishares US Aggregate Bond Index K	N/R	1,263,585
	BlackRock	Ishares MSCI Total Intl Index K	N/R	1,143,694
	DoubleLine	Doubleline Core Fixed Income I	N/R	983,264
	American Century Investments	AMCENT Mid Cap Value R6	N/R	475,770
	Ishares	Ishares Russell Midcap Index K	N/R	446,512
	Massachusetts Financial Services Company	MFS Mid Cap Growth Fund R6	N/R	347,256
	Vanguard	FTSE Social Index ADM	N/R	218,883
	MFS	Mid Cap Growth Fund R6	N/R	8,282
Total mutual funds of registered investment companies				<u>29,350,542</u>
Common Collective Trusts				
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2045 Fund	N/R	2,743,372
	Principal Global Investors Trust Company	Morley Stable Value Fund	N/R	2,654,389
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2045 Fund	N/R	2,432,012
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2025 Fund	N/R	2,397,046
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2034 Fund	N/R	1,717,415
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2025 Fund	N/R	1,438,857
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2055 Fund	N/R	1,320,392
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2035 Fund	N/R	1,283,962
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2055 Fund	N/R	474,134
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2035 Fund	N/R	402,514
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate Retirement Fund	N/R	360,263
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Aggressive Retirement Fund	N/R	156,354
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2045 Fund	N/R	123,615
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative Retirement Fund	N/R	104,006
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2055 Fund	N/R	79,695
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Conservative 2025 Fund	N/R	28,249
Total common collective trusts				<u>17,716,275</u>
Self-Directed Brokerage Accounts				
*	Charles Schwab Bank	Self-directed brokerage accounts	N/R	<u>6,590,833</u>
Participants Loans				
*		Interest rates: 4.25% - 7.75%	\$0	<u>746,987</u>
				<u>\$ 54,404,637</u>
*	A party in interest as defined by ERISA			
	N/R - cost omitted for participant directed investments			

Kestra Financial, Inc. 401(k) Plan
Schedule C, Part I, Line 3 - Service Provider Indirect Compensation Information
December 31, 2021

EIN: 47-1566880
Plan Number: 001

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

Fund Family/Provider	EIN	Formula
AI Frank	Not Available	Rate of 0.40% of average daily balance of asset(s)
Allianz Global Investors	Not Available	Rate of 0.02% of average daily balance of asset(s)
American Century Investments	43-0821857	Rate of 0.35% of average daily balance of asset(s)
American Funds	90-0924512	Rate of 0.37% of average daily balance of asset(s)
BlackRock	04-6171663	Rate of 0.06% of average daily balance of asset(s)
Columbia Threadneedle	93-0577450	Rate of 0.50% of average daily balance of asset(s)
Diamond Hill Funds	31-6547095	Rate of 0.40% of average daily balance of asset(s)
DoubleLine	Not Available	Rate of 0.15% of average daily balance of asset(s)
Federated	25-1111467	Rate of 0.40% of average daily balance of asset(s)
Franklin Templeton Investments	94-3167260	Rate of 0.40% of average daily balance of asset(s)
Invenomic	Not Available	Rate of 0.10% 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)
JPMorgan	13-2624428	Range of 0.30 - 0.50% of average daily balance of assets
Matthews Asia Funds	94-3250972	Rate of 0.40% of average daily balance of asset(s)
Morgan Stanley	36-3145972	Rate of 0.10% of average daily balance of asset(s)
Oak Associates	Not Available	Rate of 0.40% of average daily balance of asset(s)
Oakmark	52-2257782	Rate of 0.35% of average daily balance of asset(s)
PGIM Funds (Prudential)	Not Available	Rate of 0.10% of average daily balance of asset(s)
T ROWE-PRICE	Not Available	Rate of 0.15% of average daily balance of asset(s)
Thrivent Funds	39-0123480	Rate of 0.38% of average daily balance of asset(s)
USA Mutuals	Not Available	Rate of 0.40% of average daily balance of asset(s)

Kestra Financial, Inc. 401(k) Plan

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Kestra Financial, Inc. 401(k) Plan

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December 31, 2021 and 2020

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Independent Auditors' Report

To the Participants and Plan Administrator of
Kestra Financial, Inc. 401(k) Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements

We have performed an audit of the financial statements of Kestra Financial, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matter - 2021 Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year), as of December 31, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 13, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Baker Tilly US, LLP

Plano, Texas
September 6, 2022

Kestra Financial, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments at fair value:		
Mutual funds of registered investment companies	\$ 29,350,542	\$ 23,009,118
Self-directed brokerage accounts	6,590,833	8,800,026
Common collective trusts	<u>17,716,275</u>	<u>16,837,643</u>
Total investments at fair value	<u>53,657,650</u>	<u>48,646,787</u>
Receivables:		
Participant contributions	127,015	121,039
Company contributions	104,612	161,694
Notes receivable from participants	<u>746,987</u>	<u>714,903</u>
Total receivables	<u>978,614</u>	<u>997,636</u>
Net assets available for benefits	<u><u>\$ 54,636,264</u></u>	<u><u>\$ 49,644,423</u></u>

See notes to financial statements

Kestra Financial, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2021

Additions

Investment income:

Interest and dividends	\$ 2,262,255
Net appreciation of fair value of investments	<u>5,055,774</u>

Total investment income	<u>7,318,029</u>
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Interest income on notes receivable from participants	<u>36,262</u>
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Contributions:

Participants	5,183,091
Company, net	1,539,437
Rollovers	<u>2,066,169</u>

Total contributions	<u>8,788,697</u>
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Total additions	<u>16,142,988</u>
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Deductions

Benefits paid to participants	11,073,878
Administrative expenses	<u>77,269</u>

Total deductions	<u>11,151,147</u>
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Net increase	4,991,841
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Net Assets Available For Benefits

Beginning of year	<u>49,644,423</u>
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End of year	<u>\$ 54,636,264</u>
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See notes to financial statements

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

1. Description of the Plan

General

Kestra Financial, Inc. 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was established on August 5, 2016, covering substantially all employees of Kestra Financial, Inc., (the Company or Plan Administrator). Charles Schwab Trust Bank serves as the trustee (Trustee). Schwab Retirement Plan Services, Inc. (SRPS) has been retained to provide recordkeeping services for the Plan. The following description provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

Eligibility and Participant Accounts

The Plan covers all full-time employees, except union employees, nonresident aliens, and leased employees. Part-time and temporary employees must work at least 1,000 hours to become eligible. Employees become eligible for participation on the first day of the month upon reaching the age of twenty-one and upon completion of three months of service. Subject to certain limitations on annual additions, each participant's account is credited with employee elective deferrals, Company discretionary contributions, and an allocation of plan earnings or losses, and charged with certain administrative expenses.

Contributions

The Plan is funded through employee elective deferrals and Company contributions. A participant may elect to contribute a portion of his or her pretax or after-tax (Roth) compensation from 1% to 100%, subject to certain maximum limitations imposed by the Internal Revenue Code (IRC) (\$19,500 for 2021). Effective October 1, 2021, participants may elect to contribute a portion of his or her after tax compensation from 1% to 100% subject to IRC limitations. Employees who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC (\$6,500 for 2021). Rollover contributions representing distributions from other qualified defined benefit or defined contribution plans are permitted and may be contributed prior to meeting the eligibility requirements for participation in the Plan.

The Plan allows for Company discretionary matching contributions in amounts to be determined by the Company. For the year ended December 31, 2021, the Company elected to contribute a matching contribution in the amount of 50% of participant elective deferrals up to 6% of a participant's eligible compensation. Company contributions are remitted on a pay period basis but are trued up based on annual compensation in the subsequent year.

Benefits Paid to Participants

Participants may withdraw amounts from their account equal to their vested account balance for reasons of disability, retirement, death (withdrawn by participant's estate), or termination. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions.

For vested account balances greater than \$5,000, participants may elect a distribution in the form of a single lump sum payment. Upon termination, vested account balances less than \$5,000 may be distributed to the applicable terminated participant within a reasonable time after terminating employment or rolled over to an individual retirement account selected by the Plan Administrator.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

Investment Options

The Plan provides for contributions to be invested by the participants among a variety of mutual funds of registered investment companies, self-directed brokerage accounts, and common collective trusts in accordance with participant investment elections and the provisions of the trust agreement. Participants should refer to the plan website for additional fund information.

Vesting

Participants are immediately vested in elective deferrals and rollover contributions plus actual earnings, thereon. Vesting in the Company's discretionary contributions, plus actual earnings thereon, is based on years of continuous service. Participants vest 33% per year beginning after one year of qualified service and are 100% vested after three years of qualified service or upon occurrence of the participant's retirement, death, or disability, as defined by the plan document.

Forfeitures

Forfeitures of terminated participants' nonvested accounts are available to pay administrative expenses or reduce Company contributions. As of December 31, 2021 and 2020, there were forfeitures of \$75,301 and \$38,194 available, respectively. These amounts are reported as a component of net assets available for benefits. During the year ended December 31, 2021, forfeitures of \$43,173 were used to reduce Company matching contributions.

Notes Receivable From Participants

Borrowings are available to all participants. Notes receivable from participants are limited to a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service (IRS). Note terms range from one to five years, unless for the purchase of a primary residence, in which case the Plan Administrator may permit a longer repayment term of up to thirty years. The notes receivable from participants are secured by the vested balance in the participant's account and bear a reasonable interest rate, as determined by the Plan Administrator. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. As of December 31, 2021, notes receivable from participants have interest rates ranging from 4.25% to 7.75%, and maturity dates ranging from January 2022 through December 2051. Notes receivable from participants as of December 31, 2020, have interest rates ranging from 4.25% to 7.75%, and maturity dates ranging from January 2021 through December 2049.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, each of the participants will have a nonforfeitable, 100% vested interest in his or her account balance, including all Company contributions, subject to payment of liquidation costs and expenses.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value 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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The income or loss earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) of fair value of investments includes the gains and losses on the 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 balances plus any accrued but unpaid interest. Delinquent notes receivables from participants are reclassified as distributions based upon terms of the plan document or notes policy of the Plan. Notes receivable are valued at amortized cost which approximates fair value. No allowance for credit losses has been recorded as of December 31, 2021 or 2020.

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 authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 observables and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds of registered investment companies are valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

Self-directed brokerage accounts are valued at NAV or quoted market prices of mutual funds of registered investment companies or stock shares held by the brokerage funds at year end.

Common collective trusts are valued at NAV of units of the common collective trust. The NAV, as provided by the Trustees, 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. There were no unfunded commitments as of December 31, 2021 and 2020. The redemption frequency for each investment is daily, with the exception of the Morley Stable Value Fund, which is 30 days. The redemption notice period is 5 days for all investments, with the exception of the Morley Stable Value Fund, which is 12 months.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan believes its valuation methods are appropriate and consistent with other market participants; even so, 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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020:

Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds of registered investment companies	\$ 29,350,542	\$ -	\$ -	\$ 29,350,542
Self-directed brokerage accounts	6,590,833	-	-	6,590,833
Total assets in the fair value hierarchy	<u>\$ 35,941,375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,941,375</u>
Investments measured at net asset value (a)				
Common collective trusts				<u>17,716,275</u>
Total investments at fair value				<u>\$ 53,657,650</u>

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements
December 31, 2021 and 2020

Assets at Fair Value as of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Mutual funds of registered investment companies	\$ 23,009,118	\$ -	\$ -	\$ 23,009,118
Self-directed brokerage accounts	8,800,026	-	-	8,800,026
Total assets in the fair value hierarchy	<u>\$ 31,809,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,809,144</u>
Investments measured at net asset value (a)				
Common collective trusts				16,837,643
Total investments at fair value				<u>\$ 48,646,787</u>

- (a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the net assets.

In accordance with the fair value measurement and disclosures guidance the following tables present the category, fair value, redemption frequency and redemption notice period for those plan investments, whose fair value was estimated using the NAV per share as of December 31, 2021 and 2020.

December 31, 2021			
	Fair Value	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 17,716,275	Daily	5 days
December 31, 2020			
	Fair Value	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 16,837,643	Daily	5 days

4. Information Certified by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee, of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2021 and 2020, and the supplemental Schedule H, Line 4(i) - Schedule of Assets (held at End of Year) as of December 31, 2021, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2021.

Kestra Financial, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2021 and 2020

5. Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, concentration, market, and credit risks. Market risks include global events, such as pandemic or international conflict, which could impact the value of investment securities. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

6. Related-Party and Party In Interest Transactions

Certain of the Plan's investments are managed by the Trustee; and therefore, these transactions qualify as party in interest transactions. The Plan issues notes receivable to participants, which are secured by the participant's account balances. These transactions also qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by an officer or employees of the Company. No such officer or employee receives compensation from the Plan.

7. Tax Status

The Plan is based on a prototype non-standardized profit sharing plan with CODA developed by Schwab Retirement Plan Services, Inc., which received a favorable advisory letter dated June 19, 2014, from the IRS stating that the prototype plan constitutes a qualified plan under Section 401 of the IRC. The Company believes the Plan, as adopted and amended, is operating within the guidelines of the IRC, and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the DOL or IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Reconciliation of Financial Statements to Form 5500

There are no reconciling items between the net assets reported in the audited financial statements and the Schedule H of the Form 5500 as of and for the year ended December 31, 2021.

9. Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Plan has evaluated events or transactions occurring after December 31, 2021, the Statement of Net Assets Available for Benefits date, through September 6, 2022, the date the financial statements were issued, and determined there were no events that would impact the financial statements as of and for the year ended December 31, 2021; except as disclosed below:

Effective January 14, 2022, The Plan was amended and restated to a non-standardized pre-approved profit sharing/money purchase/CODA plan developed by Schwab Retirement Plan Services, Inc., which received a favorable advisory letter dated September 21, 2020.

Kestra Financial, Inc. 401(k) Plan

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

EIN: 47-1566880 Plan Number: 001

December 31, 2021

(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
Mutual Funds of registered investment companies				
	State Street	Ishares S&P 500 Index K	N/R	\$ 8,422,605
	New York Life	Mainstay Large Cap Growth R6	N/R	4,899,119
	American Funds	Europacific Growth R6	N/R	3,344,185
	John Hancock	John Hancock Disc Value R6	N/R	2,456,903
	Ishares	Ishares RSSLL 2000 SMCP Index k	N/R	2,017,370
	Allspring	SPE Small Cap VAL R6	N/R	2,015,849
	JPMorgan	JPMorgan Small Cap Growth R6	N/R	1,307,265
	BlackRock	Ishares US Aggregate Bond Index K	N/R	1,263,585
	BlackRock	Ishares MSCI Total Intl Index K	N/R	1,143,694
	DoubleLine	Doubleline Core Fixed Income I	N/R	983,264
	American Century Investments	AMCENT Mid Cap Value R6	N/R	475,770
	Ishares	Ishares Russell Midcap Index K	N/R	446,512
	Massachusetts Financial Services Company	MFS Mid Cap Growth Fund R6	N/R	347,256
	Vanguard	FTSE Social Index ADM	N/R	218,883
	MFS	Mid Cap Growth Fund R6	N/R	8,282
Total mutual funds of registered investment companies				<u>29,350,542</u>
Common Collective Trusts				
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2045 Fund	N/R	2,743,372
	Principal Global Investors Trust Company	Morley Stable Value Fund	N/R	2,654,389
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2045 Fund	N/R	2,432,012
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2025 Fund	N/R	2,397,046
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2034 Fund	N/R	1,717,415
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2025 Fund	N/R	1,438,857
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2055 Fund	N/R	1,320,392
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Aggressive 2035 Fund	N/R	1,283,962
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate 2055 Fund	N/R	474,134
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2035 Fund	N/R	402,514
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Moderate Retirement Fund	N/R	360,263
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Aggressive Retirement Fund	N/R	156,354
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2045 Fund	N/R	123,615
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative Retirement Fund	N/R	104,006
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Index Conservative 2055 Fund	N/R	79,695
	Wilmington Trust, N.A.	Wilmington Trust FlexPath Conservative 2025 Fund	N/R	28,249
Total common collective trusts				<u>17,716,275</u>
Self-Directed Brokerage Accounts				
*	Charles Schwab Bank	Self-directed brokerage accounts	N/R	<u>6,590,833</u>
Participants Loans				
*		Interest rates: 4.25% - 7.75%	\$0	<u>746,987</u>
				<u>\$ 54,404,637</u>
*	A party in interest as defined by ERISA			
	N/R - cost omitted for participant directed investments			

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%)		746,987
	FLEXPATH AGGRESSIVE RT I1	Common Collective Trust Fund		156,354
	FLEXPATH CONSERVATIVE 2025	Common Collective Trust Fund		28,249
	FLEXPATH IDX AGGRESSIVE 2025	Common Collective Trust Fund		1,438,857
	FLEXPATH IDX AGGRESSIVE 2035	Common Collective Trust Fund		1,283,962
	FLEXPATH IDX AGGRESSIVE 2045	Common Collective Trust Fund		2,432,012
	FLEXPATH IDX AGGRESSIVE 2055	Common Collective Trust Fund		1,320,392
	FLEXPATH IDX CONSERVATIVE 2035	Common Collective Trust Fund		402,514
	FLEXPATH IDX CONSERVATIVE 2045	Common Collective Trust Fund		123,615
	FLEXPATH IDX CONSERVATIVE 2055	Common Collective Trust Fund		79,695
	FLEXPATH IDX CONSERVATIVE RET	Common Collective Trust Fund		104,006
	FLEXPATH IDX MODERATE 2025 I1	Common Collective Trust Fund		2,397,046
	FLEXPATH IDX MODERATE 2045 I1	Common Collective Trust Fund		2,743,372
	FLEXPATH IDX MODERATE 2055 I1	Common Collective Trust Fund		474,134
	FLEXPATH IDX MODERATE RT I1	Common Collective Trust Fund		360,263
	FLEXPATH IDX MODERATE 2035 I1	Common Collective Trust Fund		1,717,415
	MORLEY STABLE VALUE FD	Common Collective Trust Fund		2,654,389
	PCRA	Self-Directed Brokerage Account		6,590,833
	ALLSPRING SPE SMALL CAP VAL R6	Registered Investment Company		2,015,849
	AMCENT MID CAP VALUE R6	Registered Investment Company		475,770
	DOUBLELINE CORE FIXED INCOME I	Registered Investment Company		983,264
	EUROPACIFIC GROWTH R6	Registered Investment Company		3,344,185
	ISHARES MSCI TOTAL INTL IDX K	Registered Investment Company		1,143,694
	ISHARES RSSL 2000 SMCP IDX K	Registered Investment Company		2,017,370
	ISHARES RUSSELL MIDCAP INDEX K	Registered Investment Company		446,512
	ISHARES S&P 500 INDEX K	Registered Investment Company		8,422,605
	ISHARES US AGGREGATE BD INDX K	Registered Investment Company		1,263,585
	JOHN HANCOCK DISC VALUE R6	Registered Investment Company		2,456,903
	JPMORGAN SMALL CAP GROWTH R6	Registered Investment Company		1,307,265
	MAINSTAY WINSLOW LGCAP GRTH R6	Registered Investment Company		4,899,119
	MFS MID CAP GROWTH FUND R6	Registered Investment Company		347,256
	PIMCO TOTAL RETURN ESG INSTL	Registered Investment Company		8,282
	VANGUARD FTSE SOCIAL IDX ADM	Registered Investment Company		218,883

* Party-in-interest