

## **THIRD-PARTY FEE DISCLOSURE**

Cadaret, Grant & Co., Inc ("CG"), receives compensation and/or fees (also referred to as revenue sharing or marketing support) from certain mutual fund families, insurance (fixed and variable product) providers, exchange traded funds (ETF) and alternative investment sponsors including real estate investment trusts (REITs), and business development companies (BDC) and unaffiliated investment advisers that sponsor, manage and/or promote the sale of certain products that are available to our customers. These payments include commissions, trailing commissions, fees and for certain product providers, revenue sharing payments made in connection with programs that support our marketing and sales force education and training efforts ("Strategic Partners Program"). These relationships provide additional compensation to CG that is used to offset a variety of expenses, including, but not limited to, marketing, training, educational presentations and other support. This additional compensation creates a conflict of interest as it influences the selection of investments and services CG and/or its financial professionals offer or recommend to customers. The participating programs and payments received are subject to change over time. Accordingly, the information provided below will be updated periodically. This disclosure is intended to provide you with an overview of the various types of compensation and/or fees CG receives. We encourage you to review this information in the entirety and contact us with any questions.

### **Strategic Partners Program**

Strategic Partner Program participants (referred to as "Participating Sponsors" or "Strategic Partners") are listed below. Participating Sponsors pay CG different amounts of revenue sharing and receive different levels of benefits for such payments. Revenue sharing fees are not shared with our financial professionals. A financial professional's compensation is the same regardless of whether a sale involves a Participating Sponsor's product. In some cases, Participating Sponsors pay additional marketing payments to CG to cover fees to attend conferences or reimburse expenses for workshops or seminars. The payments made under the Strategic Partners Program are calculated based either on gross sales or assets under management or a flat fee arrangement and vary by product provider. CG receives sales-based revenue sharing only on commission-based business. Participating Sponsors may receive benefits such as financial professional access and contact lists, business metrics, preferred placement on CG' website, participation in product training initiatives and marketing and sales campaigns, and the ability to participate in our conferences.

We use the revenue from our Participating Sponsors to support certain marketing, training, and educational initiatives including our annual National Conference. The conference provides a venue to communicate new products and services to our financial professionals, to offer training to them and their support staff, and to keep them abreast of regulatory requirements. The revenue is also used to pay for annual awards (in the form of a trophy, medal, or plaque) for our financial professionals who generate the most revenue overall and to pay for our general marketing and training expenses. Revenue from Participating Sponsors helps to pay for regional and annual top producer conference costs.

### **Mutual Fund and ETF Participating Sponsors**

In addition to receiving sales commissions and other types of compensation, CG receives a flat fee, asset-based and/or sales-based compensation from mutual fund and ETF Participating Sponsors. Such payments vary by sponsor. CG receives payments from mutual fund sponsors under the Strategic Partners Program of up to 0.20% annually on sales and up to 0.0032% on assets.

The following is a list of mutual fund and ETF sponsors that participate in CG' Strategic

Alliance Bernstein  
Allianz  
American Funds  
Blackrock  
BTS Asset Management  
Columbia Threadneedle

First Trust  
Franklin Templeton  
Invesco  
iShares by Blackrock  
Lord Abbett  
Meeder

Nationwide  
Pacific Funds  
PGIM (Prudential Global Investment  
Management)  
PIMCO  
Putnam

Sammons Retirement Solutions  
SEI  
Hartford Funds  
Transamerica  
VOYA

We prepare and make available to our financial professionals a quarterly list of Participating Sponsors mutual funds and ETFs that have been screened for investment performance against other Participating Sponsors funds with similar objectives and asset classes (the "Select Fund List" or "List"). CG and our financial professionals have a conflict of interest when a financial professional chooses or recommends an investment from the Select Fund List for your portfolio because CG receives revenue sharing fees from the mutual fund or ETF sponsor. Our receipt of revenue sharing fees influences our selection of mutual funds and ETFs, as our financial professionals are likely to choose or recommend a fund or ETF whose sponsor pays us revenue sharing fees over a fund or ETF whose sponsor does not pay us.

You do not pay more to purchase funds from the List through CG than you would pay to purchase these funds through another broker-dealer, and your financial professional does not receive additional compensation for selecting a fund from the List. Our financial professionals are not required to choose or recommend investments from the Select Fund List.

### **Insurance and Annuity Participating Sponsors**

In addition to receiving commissions, CG receives flat fee and/or sales-based compensation from certain insurance and/or variable, fixed and indexed annuity Participating Sponsors. CG receives compensation on an annual basis of up to 0.25% on sales of variable annuity products and up to 1% on fixed and indexed annuity sales.

The following is a list of variable, fixed and indexed annuity sponsors that participate in CG' Strategic Partners Program:

AIG	Nationwide
Allianz	New York Life
American Equity	OneAmerica
American National	Pacific Life
Athene	Pinnacle
AXA Equitable	Protective
Brighthouse Financial	Prudential
Delaware Life	Security Benefit
Global Atlantic Financial Group	Securian
Jackson National	Symetra
Lincoln National	Transamerica
Mass Mutual	United Life
Midland National Life/Sammons Financial	VOYA Services
	Western Southern

### **Alternative Investment Partners**

In addition to receiving commissions, CG receives a fixed fee and/or payments of up to 1.00% of customer assets invested in certain alternative investment products, including real estate investment trusts (REITs), business development companies (BDCs), and other closed-end funds. This compensation is not shared with financial professionals.

The following alternative investment sponsors currently participate in the Partners Program: CIM I-NAV

Griffin Capital Hines Securities

PIMCO Flexible Credit Income Fund (PFLEX)

### **Unit Investment Trust (UIT) Partners**

CG receives additional volume compensation based on total assets purchased from UIT sponsors over a given period of time as disclosed in the Unit Investment Trust's prospectus. Certain UIT sponsors compensate CG for education seminars for CG financial professionals, customers, and prospective customers. This includes due diligence meetings, recreational activities, or other non-cash items. Also, marketing representatives of UIT sponsors, often referred to as "wholesalers," work with financial professionals to promote their UITs. The volume concession rate does not exceed 0.035% per year.

The following UIT sponsors or brokers currently participate in the Partners Program:

First Trust

### **Third-Party Investment Advisors**

CG receives compensation from certain unaffiliated or third-party investment advisors to assist in paying for ongoing marketing and sales support activities including, but not limited to, training, educational meetings, due diligence reviews, and day-to-day marketing and/or promotional activities. Not all third-party Advisors pay such compensation. Current participating third-party advisors are:

AssetMark	Goldman Sachs
Beacon Capital Management	Horizon
Beaumont Capital Management	Meeder
BluePrint	Morningstar Managed Portfolios
Brinker Capital	Russell Investments
BTS Management	SEI
Clark Capital	Symmetry
FTJ/Orion	W.E. Donoghue
Envestnet	

The compensation arrangements vary, and may generally be structured as follows:

- A stated percentage of gross sales up to .05% of net sales with the Third- Party Advisor.
- A stated percentage of assets under management up to .03% of assets under management with the third-party Advisor.
- A minimum flat fee, fixed payment up to \$60,000.
- A combination of the above.

A conflict of interest exists where CG receives such compensation because there is an incentive to recommend these third-party advisors over other investment opportunities in order to generate additional revenue for the firm. However, our financial professionals are not required to recommend any third-party advisor providing additional compensation, nor do they directly share in any of this compensation.

### **Other Compensation**

Our financial professionals receive additional compensation from product sponsors. However, such compensation is not tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospects. Product sponsors sometimes also pay for or reimburse CG for the costs associated with education or training events that are attended by our financial professionals and for CG-sponsored conferences and events. CG also receives reimbursement from product sponsors for technology-related costs associated with investment proposal tools they make available to our financial professionals for use with customers.

## **Pershing Clearing Relationship**

Pershing LLC (Pershing) is the clearing firm for CG's brokerage business. As a result of this business relationship, Pershing shares with CG a portion of certain commissions and fees that customers pay to Pershing.

Pershing pays or shares with CG the following items:

- for brokerage accounts in custody with Pershing, a portion of the revenue Pershing receives from uninvested customer cash balances in brokerage accounts automatically moved (swept) into money market funds and FDIC insured bank deposit products of up to 0.60% of the value of cash balances. These payments vary based on the bank deposit account or money market fund a customer selects.
- transition assistance in the form of reimbursement of IRA termination fees of up to \$165 per account for a retirement account transferred to Pershing and up to \$125 per retail account for retail accounts transferred to Pershing.
- a growth assistance credit for seven years to support, service, and grow brokerage assets on the Pershing platform.
- a portion of certain brokerage account services and custodial fees charged to customer accounts that exceeds the amount that CG is required to pay Pershing for such services, including account transfer fees, IRA custodial and termination fees, paper confirm and statement fees, inactive (custodial) account fees, retirement account maintenance fees, and margin fees.
- a portion of shareholder servicing fees from certain mutual fund sponsors as part of their FundVest® FOCUS NTF (No Transaction Fee) program.

Our financial professionals do not receive any part of the revenue generated by the above fees.

## **Collateralized Lending Arrangements**

CG offers a program that enables customers to collateralize certain investment accounts to obtain secured loans through a program we offer through Pershing called LoanAdvance. CG receives compensation in an amount by which the interest rate is marked up over the Fed Funds Target Rate as published in The Wall Street Journal and shares this with its financial professional.

CG also offers Pershing's Fully Paid Securities Lending program, which enables qualified customers to lend fully paid-for securities to Pershing. Pershing earns revenue from lending these securities and a portion of that revenue is shared with the customer, CG and your financial professional. CG and your financial professional share in 5% of the revenue received.

## **Insurance Marketing Organizations**

Insurance Marketing Organizations ("IMOs") assist investment professionals with the sale of life insurance and fixed annuity products while providing access to multiple insurance companies. CG receives compensation from IMO's based on sales of insurance products from product providers represented by the IMOs. CG receives compensation of up to 50% of the override received by the product provider which varies per product. This compensation is used to offset a variety of CG expenses, including but not limited to, marketing, training, educational presentations and other support. This compensation is not shared with our financial professionals.

**Other Fee Disclosures**

Other fee disclosures related to our investment advisory business can be found in [CG' Form ADV.](#)