

B.B. Graham & Company. Inc. - Relationship Summary

B.B. Graham & Co. Inc. (referred to as “we” “us” or “our”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. As you have different choices when it comes to your investment solutions, we feel that it is important for you to understand how brokerage and investment advisory services and fees differ so you can carefully consider which types of accounts and services are right for you. Although this summary provides a useful starting point for identifying important information about our products and services and associated fees and conflicts of interest, it should be used in conjunction with other standardized and/or specific disclosures provided by us and/or our product offerings to provide a more full disclosure of relevant information to assist you in making informed investment decisions. To help you research firms and financial professionals, you can access free and simple tools available at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

As a broker-dealer and investment adviser, our financial professionals (“Financial Professionals”) offer brokerage services, investment advisory services, or both, depending on their industry licenses and designations. Each of our Financial Professionals generally make available a range of investment products, such as stocks, bonds, mutual funds, variable annuities, exchange-traded funds (ETFs), Unit Investment Trusts (UITs), options and alternative investments. Your Financial Professional or account program may have specific requirements, such as account or investment minimums. However, it is important for you to know that the range of investment options available to you may be limited depending on the licenses and/or designations your Financial Professional holds. Therefore, you are encouraged to ask your Financial Professional about any investment limitations that may exist.

If our Financial Professional offers you brokerage services, investment advisory services, or both, he/she will inform you as to the capacity in which he/she is acting such as when making an investment recommendation (broker-dealer) or providing ongoing investment advice (investment adviser) and whether such recommendation or advice is conducted as part of our brokerage or advisory services.

As a broker-dealer and investment adviser, we are committed to providing you with recommendations (under our broker-dealer services) and/or advice (under our investment adviser services) that is in your best interest and that do not place our interests, or those of our Financial Professionals, ahead of yours.

Our Brokerage Services

- Our brokerage services include taking your orders and executing your securities transactions, and making recommendations for you to buy, sell, exchange, or hold securities, as well as recommendations of account types and rollovers or transfer of assets. We maintain a full range of product offerings which will not generally limit your investment choices you have with us.
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We do not maintain any proprietary products such as investments that are issued, sponsored, or managed by us.
- It is important for you to know that our level of monitoring provided under our brokerage and investment advisory services is not the same. Our Financial Professionals do not monitor investments held in brokerage accounts unless otherwise stated in writing.
- We may provide brokerage services (but not investment recommendations) to you if your Financial Professional is providing advisory services through a separate investment advisory firm.
- We do not have any minimum account size or investment amount requirements for retail investors to open or maintain an account.

Our Advisory Services

- Our principal advisory services include consultations on asset allocation, wealth transfer, estate planning, retirement planning, education funding, charitable gifting and other program services to include wrap fee programs and advisory programs offered by third-party investment advisory firms. We will meet with you to understand your current financial situation, existing resources, investment goals, objectives, and risk tolerance. Based on what we learn, we will provide advisory services that are appropriate for your account or write a financial plan for you or provide wrap fee program or use a third-party investment advisory program that will address your financial needs, including recommending appropriate asset allocation and advisory services.

- We will regularly monitor your account on an ongoing basis to meet your changing needs and to align with your investment goals and objectives. However, certain limited-scope consulting or advisory services will generally not include ongoing monitoring.
- You can choose an account that allows us or other 3rd party programs/managers to execute certain transactions and implement or change investment strategies in your account without asking you in advance (“discretionary account”) or we can give you advice, but you ultimately make the investment decisions in your account (“non-discretionary account”). You will sign an investment advisory or financial planning agreement that will state whether we provide advice on a discretionary or non-discretionary basis. This agreement will remain in place until our relationship is terminated. You may limit our discretion by imposing restrictions on investing in certain securities or group of securities. In other investment advisory accounts/programs, you grant discretion to other financial institutions.
- We and other 3rd party programs/managers maintain certain minimum account size and/or investment amount requirements for you to open or maintain an account and you may become ineligible for certain services if your accounts fall under a certain dollar threshold. Account minimums vary by program and normally range from \$10,000 to \$250,000.

Additional Information

Additional detailed information about our advisory services can be found in our Form ADV, Part 2A brochure which is available at the SEC’s [Investment Adviser Public Disclosure website](https://www.investor.gov/investing/brokerage). Brokerage compensation information and related conflicts of interest are available on our firm’s website www.bbgraham.com/disclosures. If viewing a paper version of this form, please visit www.bbgraham.com/disclosures for hyperlinks to these documents.



Questions to ask your Financial Professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do those qualifications mean?*

What fees will I pay?

As part of your investment decision making process, we feel that it is important for you to know the fees and costs that you will incur for your brokerage or investment advisory services, including how frequently they are assessed and the conflicts of interest they create so you can carefully consider which types of accounts and services are right for you. Specific fee schedules for our brokerage and advisory services can be found at www.bbgraham.com/disclosures.

Our Brokerage Fees

- We typically provide transaction-specific recommendations and receive compensation on a transaction-by-transaction basis (such as commissions) every time you buy or sell an investment. The transaction-based fee you pay varies based on the amount invested. For example, you will pay more when there are more trades in your account and that we may therefore have an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investment in bonds, this fee is typically included as part of the price you pay for the investment (called a mark-up or markdown).
- For investments in certain products such as mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (called sales loads). Additional costs would include, for example, both costs associated with the purchase of the security, as well as any costs that may apply to the future sale or exchange of the security, such as deferred sales charges or liquidation costs. These fees are based on the amount invested in the product and, depending on the product, may be based on how long you hold the investment. When we receive asset-based sales loads, we have an incentive to recommend products or sponsors that include sales charges.

Our Advisory Fees

For Investment Advisory services we typically charge an ongoing quarterly percentage fee based on the value of assets in your account (sometimes referred to as, “asset-based fee” or “fee based” compensation). However, in most cases, you will

be charged either a flat fee or an ongoing fixed fee that is calculated annually and then collected on a quarterly basis which is a percentage based on the value of your account at the beginning of each quarterly period. Our fee schedule ranges from 1.00% to 3.00% depending on the value of the investments in your account. Our fees vary depending on the advisory program selected and are negotiable. You pay this fee even if you do not buy or sell investments. For an account where we charge an asset-based fee, the more assets there are in your account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase the assets in your account, including transferring or rolling over assets from other accounts. We may also charge an hourly fee for additional advisory services such as financial planning or consulting services that are of limited duration or nature.

- For wrap fee program accounts, you will pay a single asset-based fee for a bundle of investment advice, investment research and/or brokerage services where such a fee is combined to cover certain transaction, administrative and custodial costs. If you expect to trade infrequently or maintain a buy and hold strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The designated broker-dealer/custodian that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The broker-dealer/custodian's transaction fees are in addition to our advisory fee for our advisory service. You could also pay charges imposed by the custodian holding your accounts for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge additional fees that will reduce the value of your investments over time.

Although cost is an important factor that is considered when making a recommendation, it is not the only consideration and therefore our recommendations are not always the lowest cost option available. As fees and costs affect the value of your account over time, please ask your Financial Professional to give you personalized information on the fees and costs that you will pay.

Other Fees and Costs

- If applicable to your account, you will pay directly for other fees in addition to brokerage commissions and advisory fees, including account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; cash management fees such as cash sweeps, checking and wire fees; and investment specific fees for the administration of alternative investments or foreign securities. However, these fees are not charged by us if your account is held directly with the sponsor and not with us.
- In addition to brokerage and advisory fees charged by us, you may also pay fees charged by the specific investment products in which you are invested, such as mutual funds, annuities, ETFs, and other investment products. Certain investment products have fees triggered by specific events. For example, annuities may include mortality, expenses and administrative fees, and fees for excessive transfers or early withdrawals. Please make sure you understand the fees you will be paying.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. For more information about our fees and overall costs, see our Form ADV, Part 2A brochure which is available at the SEC's <http://www.adviserinfo.sec.gov/> and our brokerage fee schedules at www.bbgraham.com/disclosures and <https://www.rbcclearingandcustody.com/en-us/legal/> for additional information on the cash sweep program.



Questions to ask your Financial Professional:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Financial Professional.

- **Third Party Payments**- We receive compensation from third parties derived from the sale of securities or other investment products held by you, including asset-based sales charges or service fees on mutual funds, annuities, ETFs, alternative investments, and other investments. This compensation includes ongoing distribution charges such as 12b-1 fees or trail payments which an investment product charges you and then pays to us. In some accounts, your invested cash is automatically placed in a cash sweep program we offer through our clearing firm, RBC. We receive interest sharing fees for your participation in these programs. These fees are in addition to any fees you pay us. This creates an incentive for us if you maintain cash balances.
- **Principal Trading (Riskless Principal)**- In brokerage accounts we sometimes buy from you or sell to you certain fixed income investments which are considered riskless principal trades. A riskless principal trade is one in which we, after receiving an order to buy or sell a security, execute the order as principal, at the same price, to satisfy that order. We make money by charging you a markup or markdown on riskless principal trades.

Additional information about our conflicts of interest and disclosures can be found at www.bbgraham.com/disclosures for our brokerage services, and at the SEC's [Investment Adviser Public Disclosure website](http://www.investor.gov/crs) for our advisory services. Visit <https://www.rbcclearingandcustody.com/en-us/legal/> for additional information on the cash sweep program.



Questions to ask your Financial Professional:

- *How might your conflicts of interest affect me, and how will you address them?*

How do your Financial Professionals make money?

We have agreements in place with our Financial Professionals, who are independent contractors of the firm, which determine what and how we pay them. Our Financial Professionals who provide brokerage services will receive a portion of the commissions or markup/mark downs received from your trades, while those providing advisory services will receive a portion of the advisory fees you pay us. Our Financial Professionals receive different levels of compensation for selling different investments or services. These could include, for example, a share of the 12b-1 fees, trails or sales loads paid to us by an investment product. Although your Financial Professionals must recommend investment products or manage your account in your best interest, these forms of compensation, such as brokerage commissions, advisory fees and other production related compensation models, create an incentive for them to recommend certain products, encourage you to trade more frequently or increase your investment account size. We do not have sales contests, sales quotas, bonuses, and/or non-cash compensation that are based on the sale of specific securities or specific types of securities.

Do you or your Financial Professionals have legal or disciplinary history?

- Yes, we and/or some of our Financial Professionals have some form of disciplinary history. If you would like more information about our firm and/or our Financial Professionals, visit Investor.gov/CRS for a free and simple search tool to research additional information.



Questions to ask your Financial Professional:

- *As a Financial Professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

Additional information about our brokerage services can be found at www.bbgraham.com/disclosures and for advisory services, see our Form ADV, Part 2A brochure at Investment Adviser Public Disclosure website. You can also visit FINRA's BrokerCheck by searching by our name or by our CRD number 41533. You can also contact us via email at operations@bbgrahamco.com or contact us directly at 714-628-5200 to request up-to-date information or a copy of this relationship summary.



Questions to ask your Financial Professional:

- *Who is my primary contact person?*
- *Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*