

## SUMMARY OF MATERIAL CHANGES

AS OF 04/10/2024

The updates made to Form CRS from the April 2023 were as follows:

Item 1: The definition of FINRA was corrected to include the word “Regulatory”. An updated link was provided.

Item 2: A conversation starter was corrected.

Item 3: A sentence was added to reflect that wrap fees can be higher than typical asset-based fees. Additionally, language was moved to Item 4 to better follow the Form CRS instructions.

# SMH CAPITAL ADVISORS LLC

## Form CRS- Customer Relationship Summary

April 2023

### Item 1: Introduction

SMH Capital Advisors, LLC (referred to as “we”, “us”, or “SMHCA”) is registered with the US Securities and Exchange Commission as an investment adviser. SMHCA became an SEC-registered investment adviser on June 6, 1997.

SMHCA also has an affiliated broker-dealer, SMH Capital Investments LLC (“SMHCI”) that is a member firm with the Financial Industry Authority, Inc. (“FINRA”) and is under common ownership and control with SMHCA. This relationship summary explains the various services SMHCA offers, how we charge for those services, and conflicts of interest that exist when we provide our services. A separate summary is available for SMHCI that describes our broker-dealer services.

Brokerage and investment advisory services and fees differ. It is important that retail investors understand the differences which are summarized here and further explained in SMHCA’s referenced filings and disclosure materials. In addition, free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. You should carefully consider which types of accounts and service are right for you.

### Item 2: Relationships and Services

#### What investment services and advice can you provide me?

We offer investment discretionary advisory services to retail investors primarily through three programs: (1) the Advisory Platform Programs; (2) the SMH Capital Investments Program (SMHCI Program) and (3) the Institutional Program. SMHCA also provides sub-advisory services to two mutual funds in the Catalyst fund family. Our advisors will monitor your account on an ongoing basis.

In each of the three programs, SMHCA allocates client assets among various mutual funds, exchange-traded funds (ETFs), equity securities, including common and preferred stock, exchange-listed, over-the-counter, and foreign issuer securities; warrants; corporate debt securities; commercial paper; certificates of deposit; municipal securities, closed-end funds; American Depositary Receipts (ADRs); Real Estate Investment Trusts (REITs), Publicly-traded Business Development Companies (BDCs); US government and government agency securities, high yield corporate bonds; and collateralized mortgage obligations (CMOs). SMHCA does offer its sub-advised Catalyst Funds as part of the allocation of some the above-listed programs.

Each program has its own requirements with regard to the minimum investment needed to open an account. Individual strategies within a program may also have account minimums that differ from other strategies. For example, the account minimum for a Separately Managed Account within the Advisor Platform Program is generally \$200,000. All account minimums are subject to manager discretion.

For more detailed information, please refer to SMHCA’s Form ADV and Form ADV2A Brochure (Items 4 and 7 of Part 2A).

**Conversation Starters.** 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 these qualifications mean?

### Item 3: Fees, Conflicts, and Standards of Conduct

#### What fees will I pay?

SMHCA is compensated based upon a percentage of the total value (assets under management) in your account.

You pay this fee even if you do not buy or sell investments. The larger the amount of assets in your account, the more you will pay in fees. As such, our firm may have an incentive to encourage you to increase the assets in your account. Fees are payable quarterly in advance based on the value of your account at the beginning of the quarter. A prorated fee is charged if your account is opened during a quarter. Other than growth in assets under management, SMHCA is not compensated on the basis of a share of capital gains or appreciation of your funds. SMHCA does not receive any additional compensation (commissions, transaction fees, ticket charges, etc.) related to your accounts but its affiliate, SMHCI may receive compensation in the form of commissions if your transactions are executed through SMHCI. The receipt of additional compensation from an affiliate creates a conflict of interest. You will also pay certain third-party fees that are separate from the fees charged by SMHCA. Examples may include custodian fees, brokerage fees, mutual fund and ETF fees, etc.

For wrap fee program accounts, you will pay us a single asset-based fee. This fee covers most transaction costs and certain administrative and custodial costs associated with your investments.

**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. Please make sure you understand what fees and costs you are paying. Please see Form ADV, Part 2A brochure, Items 5.A., B., C., and D and other applicable documents.

**Conversation Starter.** 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 acting as my investment adviser/ How else does your firm make money and what conflicts of interest do you have?

When we 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 investment advice we provide you. Here are some examples to help you understand what this means.

SMHCA compensates its advisors with a salary and in some instances, an advisor may earn a quarterly bonus for originating new accounts. Our advisors are not compensated based on the amount of client assets the advisor services; the time and complexity required to meet a client's needs; or based on the products sold. Some advisors are also registered representatives of the affiliated broker-dealer and may receive commissions when acting in that capacity.

Your financial professional is legally required to act in your best interest and not put his or her interest above your own. We have attempted to mitigate the conflicts caused by compensation by having the primary source of our advisor's compensation be salary rather than based upon the amount of assets they manage.

**Conversation Starter.** Ask your financial professional—

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

## Item 4: Disciplinary History

### Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional—

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

## Item 5: Additional Information

**For additional information about our services, please visit [www.smhca.com](http://www.smhca.com).** If you would like additional, up-to-date information or a copy of this disclosure, please call 817-569-7000.

**Conversation Starter.** 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?**