

# Client Relationship Summary



**Canaccord Genuity Wealth Management (USA) Inc.**

As of January 9, 2024

**Introduction:** Canaccord Genuity Wealth Management (USA) Inc. is registered with the Securities and Exchange Commission as a broker-dealer and an investment advisor and is a member of FINRA and SIPC. You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. For details, please see [sipc.org/](https://sipc.org/).

Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

## **WHAT INVESTMENT SERVICES CAN YOU PROVIDE ME?**

We offer both brokerage and investment advisory services to retail investors. It is important that you discuss your options with your financial professional to determine which type of services are most appropriate for you. Some of our professionals offer both brokerage and investment advisory services, while other financial professionals only offer brokerage or investment advisory services. Your financial professional will let you what services he or she can offer you.

**Our accounts and services fall into two categories:**

<b>Broker-Dealer Services - Brokerage Accounts</b>	<b>Investment Advisor Services - Advisory Accounts</b>
<p>Our brokerage services include taking your buy and sell orders and executing your securities orders, as well as making recommendations for you to buy, sell, or hold securities or recommendations to execute a series of those transactions.</p> <p>You do not need to have a minimum account size or make a minimum initial investment to have a brokerage account with us.</p> <p>We provide retail customers who are “accredited investors” the ability to purchase private placements. Accredited investors are investors who have a net worth exceeding \$1 million; and over the last two years, have an annual income of \$200,000, individually; or \$300,000 when combined with their spouse.</p> <p>We do not offer private placements to non-accredited investors.</p> <p>Typically, we do not solicit or recommend private placements to retail investors. Investments in private placements are usually unsolicited, meaning they are, typically, at the retail investors request.</p> <p><b>We <u>do not</u> monitor brokerage account or private placement investments for you, unless we state otherwise in writing.</b></p>	<p>Our investment advisory services include portfolio management services to our retail clients. Portfolio management services involve providing you with continuous advice, or investing your account, based on your specific circumstances.</p> <p>We offer our portfolio management services on a discretionary and non-discretionary basis. “Discretionary basis” means that we will make investment decisions for your account, without requiring your pre-approval on an ongoing basis. Our investment decisions are based on reasonable limitations set by you. “Non-discretionary basis” means that you make the investment decisions regarding the purchase or sale of investments for your account.</p> <p><b>We <u>do</u> monitor investment advisory accounts for you.</b></p> <p>To invest with us, we generally require a minimum account balance of \$100,000 in assets under management. However, there are times we may decide to make an exception to this requirement.</p> <p><i>For additional information including minimum investment amounts, please see our Form ADV, 2A brochure at:</i> <a href="https://adviserinfo.sec.gov/firm/summary/7449">https://adviserinfo.sec.gov/firm/summary/7449</a></p>

**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?

**WHAT FEES WILL I PAY?**

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.

**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.**

Broker-Dealer Service Fees	Investment Advisory Service Fees
<p>Transaction-based fees. We charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested</p> <p>The more you trade, the more fees we receive. So, there is an incentive to encourage you to trade often.</p> <p>With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a "mark-up" or "mark down").</p> <p>Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.</p> <p>Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what type of account you have with us.</p> <p>We charge a \$375 annual fee for inactive accounts. Inactive accounts are accounts in which you do not conduct any trading activity during the prior calendar year. These fees will not be charged for the first calendar year that you open the account.</p> <p>Our clearing firm will charge you additional fees for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services.</p> <p>The firm may apply a markup to clearing firm fees, which is retained by the firm, and the firm may also share in clearing firm fees.</p> <p>The firm may receive a share of any interest charges on debit balance interest.</p>	<p>If you open an advisory account, we charge you a percentage of assets under management for our portfolio management services (referred to as an asset-based fee).</p> <p>We charge asset-based fees on a monthly basis, in arrears.</p> <p>You should be aware that the more assets in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account.</p> <p>Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. The asset-based fee reduces the value of your account and will be deducted from your account.</p> <p>Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.</p> <p>You pay fees if we do not buy or sell securities.</p> <p>Our clearing firm will charge you additional fees for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services.</p> <p>The firm may apply a markup to clearing firm fees, which is retained by the firm, and the firm may also share in clearing firm fees.</p> <p>The firm may receive a share of any interest charges on debit balance interest.</p>

**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 PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER OR WHEN ACTING AS MY INVESTMENT ADVISOR? 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.

Mutual Fund Share Class Selection. Many mutual funds offer multiple share classes, including those expressly designed for, or made available to you in fee-based advisory programs. Since mutual fund fees and expenses are paid from fund assets, higher fees and expenses result in lower returns. Also, there is an incentive to offer you mutual funds with share classes that will result in higher fee.

Mutual Fund 12b-1 Fees. If you open a brokerage account, we receive 12b-1 fees from the mutual funds in which you invest. This means we have a financial incentive to recommend certain investments to you that pay 12b-1 fees.

Our investment personnel can invest in the same securities as clients. This creates a risk that, under some circumstances, employees may receive better pricing than our clients, depending on the timing of these investments.

Private Placement Fees. We may receive a fee from the companies who offer their securities for sale in private placements (referred to as "issuers"). When the issuer does not pay us a fee, we will charge you a processing fee. While we, generally, do not solicit private placement investors, or recommend private placements to investors, these fees create an incentive for us to only offer private placements for companies/issuers who pay us a fee.

Fee Sharing with Clearing Firm. At times, we add a markup to fees our clearing firm charges you, including, for example, interest on margin debit balances, and share in those fees with the clearing firm. This creates an incentive to offer investments where we receive these fees.

**Conversation starter:** *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?**

For brokerage accounts, your financial professional will receive a portion of the transaction-based fee you pay to us. This means, the more you trade, the more money your financial professional will receive. This creates an incentive for your financial professional to encourage you to trade often.

For investment advisory services, your financial professional will receive a position of the asset-based fee you pay to us. Meaning, the more assets there are in your advisory account, the more you will pay in fees. Therefore, your financial professional has an incentive to encourage you to increase the assets your account, including by rolling other assets from other accounts.

We have policies and procedures in place to help mitigate these conflicts.

## **DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes, for our firm. Yes for our financial professionals. Please visit [investor.gov/CRS](https://investor.gov/CRS) or [brokercheck.finra.org](https://brokercheck.finra.org) for free and simple search tools to research our firm 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?*

### **ADDITIONAL INFORMATION**

You can find additional up-to-date information about our services and request a copy of our Relationship Summary by contacting your financial professional directly or, alternatively, by contacting, Andy Viles, Executive Vice President and Chief Legal Counsel at (617) 371-3715 or by email at [aviles@cgf.com](mailto:aviles@cgf.com).

**Conversation Starters:** *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 speak to about how this person is treating me?*