

## **WHAT INVESTMENT SERVICES AND ADVICE CAN WE PROVIDE YOU?**

Drexel Hamilton, LLC, is an institutional broker/dealer that provides brokerage services only to institutional clients as defined by FINRA Rule 4512(c). Drexel Hamilton, LLC, does not hold client funds and does not have any portfolio management services. Drexel Hamilton does not offer investment advisory services and does not primarily earn money by making recommendations. Firms that do business with Drexel Hamilton, LLC, rely on their own expertise when giving orders to Drexel Hamilton, LLC.

### **Brokerage Services**

Our brokerage services include buying and selling securities (e.g., stocks, and bonds) at your direction. From time to time, or when you request, we also provide you with investment recommendations, research, financial tools, and investor education. When making such a recommendation to you, we do not have a fiduciary obligation to you but we must act in your best interests at the time we make the recommendation without placing our financial or other interests ahead of yours.

### **No Monitoring or Investment Discretion**

We do not exercise discretionary investment authority in your brokerage account (i.e., make decisions to buy or sell your investments without your direction) or monitor your brokerage account investments for you. This means that you are responsible for reviewing your account and investments to make sure your investment mix is appropriate for you and for deciding whether to follow our investment recommendations.

Conversation Starters: Questions you may want to ask your financial advisor

- 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 YOU PAY?**

For our brokerage services, the primary fees you pay are “transaction-based” fees. These fees are typically called “commissions,” “sales charges,” or “selling concessions.” These fees vary depending on the investment product you select, the capacity in which we act, and the size of your transaction, and can be charged up-front when you purchase or sell the investment. If we purchase a security from you or sell a security to you from our own account (as “principal”), rather than acting as your agent to purchase or sell a security from a third party, we are paid by marking the price up or down and retain that difference, which is a benefit to us. Because we are compensated for these transactions, we have a conflict of interest to encourage you to invest in products that pay us greater compensation than those that pay us less, to trade more frequently and in greater volume, and trade with us as principal because we generally receive more revenue when you do so. Drexel Hamilton, LLC, does not make recommendations for securities. The way we make money

may involve some conflicts of interest. You should ask your account representative to describe these conflicts. Additional questions may be directed to [compliance@drexelhamilton.com](mailto:compliance@drexelhamilton.com)

Conversation Starter: Question you may want to ask your institutional sales representative  
Help me understand how these fees and costs that might accompany an order we place for securities that you are selling as an underwriter or co-manager in a transaction.

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER? 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 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 to you. Here are some examples to help you understand what this means.*

Conversation Starter: Question you may want to ask your financial advisor  
How might your conflicts of interest affect me and how will you address them?

#### **Examples of Ways We Make Money and Conflicts of Interest**

An institutional sales representative of Drexel Hamilton might contact you to inform you that Drexel Hamilton is involved in a new issue capital markets transaction either as an underwriter of the offering. Drexel Hamilton receives a fee for underwriting that offering. Drexel Hamilton may be incentivized to collect as many orders as possible to sell all the securities of that underwriting.

#### **DO YOU OR YOUR REPRESENTATIVES HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes, the firm and some of our representatives have legal or disciplinary histories. You may research your rep's experience and licenses on FINRA's BrokerCheck website at [brokercheck.finra.org/](http://brokercheck.finra.org/).

Conversation Starter: Question you may want to ask your financial advisor  
As a broker/dealer, do you have any disciplinary history? For what type of conduct?

**ADDITIONAL INFORMATION:** For additional information regarding Drexel Hamilton, LLC, please refer to our website. Your account representative will also be able to answer specific questions regarding our services and specific potential transactions. If you have any further concerns, please contact our firm directly at [compliance@drexelhamilton.com](mailto:compliance@drexelhamilton.com).

Conversation Starter: Question you may want to ask your financial advisor  
Who is my primary contact person? Is that primary contact person 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?