

## CLIENT RELATIONSHIP SUMMARY

November 15, 2024

### INTRODUCTION

First Manhattan Securities LLC (“FMS”) is registered with the U.S. Securities and Exchange Commission (the “SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). We are also a member of the Securities Investor Protection Corporation (“SIPC”), which is described at <https://www.sipc.org>. We are not an investment adviser registered with the SEC, but we have a registered investment adviser affiliate, First Manhattan Co. LLC (“FMC”). Registration does not imply a certain level of skill or training. Investment advisory and brokerage services and fees differ materially. Accordingly, it is important for you to understand these differences. Free and simple tools are available to enable investors to research investment firms and professionals at [Investor.gov/CRS](https://www.investor.gov/crs). This website also provides educational materials about investment advisors, broker-dealers, and investing.

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

Our principal brokerage service is buying and selling securities for both discretionary and non-discretionary investment advisory accounts (“IA Accounts”) managed by our affiliate, FMC, in accordance with an investment advisory contract between FMC and each client, most of whom are retail investors. On a more limited basis, we provide brokerage services to clients who maintain non-discretionary brokerage accounts with us. Your FMS registered representative acts as a broker when making any recommendations with respect to your non-discretionary brokerage account. You make the ultimate decision regarding each securities transaction in your non-discretionary brokerage account, even in limited instances where we make recommendations about such transactions. However, you are generally responsible for monitoring your portfolio and notifying us immediately of any errors or unusual activity. Although we do not require a minimum account size for non-discretionary brokerage accounts, we typically open non-discretionary brokerage accounts as an accommodation to clients who also maintain IA Accounts advised by FMC, which are subject to minimum account sizes. For additional information about our brokerage services, see the FMC [Form ADV Part 2A](#), Item 12 at [firstmanhattan.com](https://firstmanhattan.com).

### *Conversation Starters. Questions to ask our financial professionals:*

- Given my financial situation, should I choose a brokerage service? 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?

We receive commissions generated by the transactions in securities that we effect on behalf of your non-discretionary brokerage accounts. The costs you incur in a brokerage account are based on specific brokerage transactions. The pricing for our brokerage services varies and the amount you pay will depend on factors like security type and how much you buy or sell. Generally, the more transactions in your non-discretionary brokerage account, the more we will charge you. We have an incentive to encourage you to engage in transactions in a non-discretionary brokerage account because our commissions typically increase accordingly so a potential conflict of interest exists. However, brokerage commissions are not a substantial component of the combined revenue of FMS and FMC. More information about how we mitigate conflicts can be found in FMC Form ADV Part 2A, Item 10. Clients may incur other types of fees, such as custodian fees in instances where a client maintains an

account at a custodian other than Pershing LLC (“Pershing”), our fully disclosed clearing firm and custodian. You will pay fees and costs whether you make or lose money on your investments. Fees and costs reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, please see the FMC Form ADV Part 2A Item 5 and FMC’s Form CRS.

*Conversation Starters. Questions to ask our financial professionals:*

- 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? How else does your firm make money and what conflicts of interest do you have?**

**When we provide you with a recommendation**, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates conflicts with your interests. You should ask us about and understand these conflicts as they can affect recommendations we provide. For example: If appropriate for your finances, we may recommend certain proprietary private investment funds for your account.

In general, FMS does not impose service charges on brokerage accounts to cover costs associated with clearance, settlement, and confirmation services. FMS receives a credit based on the number of accounts opened and funded at Pershing at the end of each month; \$25 million in client assets must be held at Pershing to avoid a platform fee. These facts provide economic incentivization for FMS to use Pershing, thus presenting a conflict of interest. Any resulting incentive to utilize Pershing is minimal in relation to combined revenues of FMS and FMC, and we continually evaluate the quality of services provided to ensure that utilizing Pershing remains in the best interests of clients. For additional information see FMC Form ADV Part 2A, Item 5.

*Conversation Starters. Questions to ask our financial professionals:*

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

**How do your financial professionals make money?**

The investment advisory fees charged to investment advisory accounts advised by FMC typically generate the compensation our financial professionals earn. Commissions generated by the transactions effected in non-discretionary brokerage accounts are included in our overall revenue but are not used to calculate compensation. We do not pay our financial professionals additional compensation for fees generated by third-party products.

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

Yes. To view this history, please visit [investor.gov/CRS](https://investor.gov/CRS) for a free and simple tool to research FMS and its financial professionals. Additional information can be found at [FINRA BrokerCheck](https://finra.org/brokercheck) or [firstmanhattan.com](https://firstmanhattan.com).

*Conversation Starters. Questions to ask our financial professionals:*

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

**ADDITIONAL INFORMATION**

For additional information about our services, please contact your financial professional or [firstmanhattan.com](https://firstmanhattan.com). If you would like additional up-to-date information or a copy of this disclosure, please contact us at 212-756-3300 or via the [Contact Us page at firstmanhattan.com](https://firstmanhattan.com/contact-us).

*Conversation Starters. Questions to ask our financial professionals:*

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