



Tradition Securities and Derivatives LLC

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Form CRS Customer Relationship Summary

TO: Retail Clients

DATE: 8 February 2022

RE: REGULATION BEST INTEREST DISCLOSURE

Tradition Securities and Derivatives LLC (“Tradition”) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment adviser, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN TRADITION PROVIDE ME?

Tradition offers only trade execution services to retail investors, including the buying and selling securities. Tradition does not offer any investment advisory services and does not provide investment monitoring or investment recommendation services.

For additional information about Tradition’s brokerage execution services, please contact your Tradition broker.

Conversation Starter to Ask Your Financial Professional:

- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

WHAT FEES WILL I PAY?

Retail investors will be charged commissions or mark-ups/downs for trade execution services that are assessed on a trade by trade basis. Because you are charged transaction-based fees, you will be

charged more when there are more trades in your account and the firm therefore has an incentive to encourage you to trade more frequently.

You may also be charged other fees and costs related to your specific brokerage services and investments. These other fees may include, but are not limited to, custodian fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional and product level fees.

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.

For additional information regarding costs and fees, please contact your Tradition Broker or refer to your account statements and trade confirmations.

Conversation Starter to Ask Your Financial Professional:

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

WHAT ARE TRADITION'S LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS?

Tradition only offers trade execution services and does not provide investment advisory services or investment recommendations.

HOW DOES TRADITION MAKE MONEY AND WHAT CONFLICTS OF INTEREST DOES TRADITION HAVE?

Tradition makes money from the commission or mark-up/down that is charged for the execution of a trade. When acting as agent, Tradition will charge you a commission for executing a transaction with a 3rd party on your behalf. When acting as principal, Tradition will charge you a mark-up/down for executing a transaction directly with your account.

Since Tradition is compensated on a transactional basis or per trade basis, Tradition has an incentive to encourage you to trade more frequently and this may create potential conflicts with your interests. Therefore, you should always independently evaluate your need to execute a given transaction and the resulting potential gain or loss. Tradition does not evaluate your potential investment gain or loss when providing you with execution services and does not otherwise offer any investment advice or recommendations.

Tradition also may make money from payments for order flow. Tradition sends equity orders to exchanges, Electronic Communication Networks, or broker-dealers during normal business hours and during extended trading sessions. Some of these venues may provide payments to Tradition depending on the characteristics of the order and subsequent execution. The details of these payments are available upon written request. Tradition provides a quarterly report of the venues to which orders are routed via Securities Exchange Act Rule 606 that is available to you at no charge on Tradition's website (<http://traditionsd.com/>) or by written request to the Compliance Department.

For additional information regarding conflicts, please refer to Tradition's website (<http://traditionsd.com/>).

HOW DO TRADITION BROKERS MAKE MONEY?

Compensation arrangements for Tradition brokers differ by employee. However, brokers generally receive a base salary and discretionary bonus, which is determined in part by the revenue, which they generate for Tradition.

Because their compensation is based upon Tradition's revenue, which is generated on a transactional basis, brokers also have an incentive to encourage you to trade more frequently and this may create potential conflicts with your interests. Therefore, you should always independently evaluate your need to execute a given transaction and the resulting potential gain or loss. Tradition brokers do not evaluate your potential investment gain or loss when providing you with execution services and do not otherwise offer any investment advice or recommendations.

DOES TRADITION'S FINANCIAL PROFESSIONALS HAVE ANY LEGAL OR DISCIPLINARY HISTORIES?

Yes, some of our financial professionals have disciplinary and/or legal histories, details about which are available on the FINRA BrokerCheck website (<https://brokercheck.finra.org/>).

Tradition's disciplinary history is also available on the FINRA BrokerCheck website.

Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter to Ask Your Financial Professional:

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

WHERE CAN I OBTAIN ADDITIONAL INFORMATION ABOUT TRADITION?

For additional information about our services, please ask your Tradition broker or refer to the Tradition website (<http://traditionsd.com/>).

If you would like additional, up-to-date information or a copy of this disclosure, please call either:

- Chief Compliance Officer – Equities/Options: David Merola at 212 483-9838; or
- Chief Compliance Officer—Fixed Income: Michael Martuscello at 212 791-6690

Conversation Starter to Ask Your Financial Professional:

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