

**Introduction:** Canaccord Genuity Wealth Management (USA) Inc. is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment advisor and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation ([www.sipc.org](http://www.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 <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisors, and investing.

### WHAT INVESTMENT SERVICES AND ADVICE 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 know what services he or she can offer you.

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

#### *Broker-Dealer Services - Brokerage Accounts*

Our brokerage services include taking your buy and sell securities orders and executing them. You make the final investment decisions, and our financial professionals can offer recommendations to buy, sell, or hold securities or to execute a series of transactions.

Our financial professionals are acting in the capacity of a registered representative of the broker-dealer when offering brokerage account services.

You do not need to have a minimum account size or make a minimum initial investment to have a brokerage account with us. Some securities require investment minimums.

We provide retail investors 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. We do not offer private placements to non-accredited investors.

*For additional information, please see our Regulation Best Interest Disclosure document on our disclosure page at: <http://canaccordgenuity.com/wealth-management-canada/cgwm-usa-disclosures/>*

**We do not monitor brokerage accounts or private placement investments for you, unless we state otherwise in writing.**

#### *Investment Advisory Services - Advisory Accounts*

Our investment advisory services include portfolio management services for our retail clients. Portfolio management services involve providing you with continuous advice, or investing the assets in your account, based on your specific circumstances.

We offer our portfolio management services on a discretionary basis meaning 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.

Our financial professionals are acting in the capacity of an investment advisory representative when providing services related to accounts established in our investment advisory program. We act as your investment advisor when we have entered into a written agreement with you that describes our advisory relationship and our obligations to you.

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.

*For additional information, including minimum investment amounts, please see our Form ADV2A brochure at: <https://adviserinfo.sec.gov/firm/summary/7449>*

**We do monitor investment advisory accounts for you at least quarterly.**

**Limited Investment Offerings:** Certain investment products may not be available due to program or client eligibility requirements or our product offerings. We do not offer or make recommendations on all products or classes of all products. For example, we do not make all mutual fund share classes available in advisory programs.

## 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?

### Broker-Dealer Service Fees

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 being bought or sold. The more you trade, the more fees we receive. So, there is an incentive to encourage you to trade often.

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"). Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

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.

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.

Our clearing firm may charge you additional fees on our behalf for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services.

The firm may apply a markup to these clearing firm fees, which is retained by the firm, and the firm may also share in clearing firm fees.

### Investment Advisory Service Fees

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).

We charge asset-based fees on a monthly basis, in arrears.

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.

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.

Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

You pay fees even if we do not buy or sell securities on your behalf.

Our clearing firm may charge you additional fees on our behalf for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services.

The firm may apply a markup to these clearing firm fees, which is retained by the firm, and the firm may also share in clearing firm fees.

The firm may receive a share of any interest charges on credit and debit balance interest as well as interest charged on non-purpose loans. The firm may also receive incentive payments for banking accounts established at our custodian.

The firm may receive a share of any interest charges on debit balance interest.

For additional information, regarding advisory account costs, please see our Form ADV2A brochure at: <https://adviserinfo.sec.gov/firm/summary/7449>

For additional information, please see our Fee Disclosure documents on our disclosure page at:

<http://canaccordgenuity.com/wealth-management-canada/cgwm-usa-disclosures/>

**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.**

### Conversation starters:

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. There is also an incentive to offer you mutual funds with share classes that will result in higher fees in brokerage accounts.

**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 in both brokerage and advisory accounts, 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. These fees create an incentive for us to only offer private placements for companies/issuers that pay us a fee.

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

For additional information on conflicts of interest in brokerage accounts, please see our Regulation Best Interest Disclosure document on our disclosure page at: <http://canaccordgenuity.com/wealth-management-canada/cgwm-usa-disclosures/>

For additional information on conflicts of interest in advisory accounts, please see our Form ADV2A brochure at: <https://adviserinfo.sec.gov/firm/summary/7449>

### Conversation starters:

#### 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 that 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 portion of the asset-based fee you pay to us. This means that 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 in your account, including transferring other assets from other accounts.

Your financial professional may also earn transaction-based fees and asset-based fees as a licensed registered representative with Canaccord Genuity Corporation ("CGC"), a Canadian broker-dealer registered with the Canadian Investment Regulatory Organization ("CIRO"). CGC is an affiliate of CGWM USA.

## 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](http://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

### Conversation starters:

#### 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 brokerage services, our investment advisory services, or obtain an updated copy of our Relationship Summary by contacting your financial professional directly, calling us at 604.643.7300, or by visiting:

<http://canaccordgenuity.com/wealth-management-canada/cgwm-usa-disclosures/>  
<https://adviserinfo.sec.gov/firm/summary/7449>

### 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?