

# Vanderbilt Financial Group Client Relationship Summary March 2023

**Vanderbilt Financial Group (“VFG”)** is the marketing name for Vanderbilt Securities, LLC, PFG Investments, LLC (dba Vanderbilt Advisory Services), and other affiliated entities listed below.

**Vanderbilt Securities, LLC (“VS”), ARK Global, LLC (“ARK”) and ImpactU.Investments, LLC (“IUI”)** are broker-dealers. They are each a member of the Financial Industry Regulatory Authority ([FINRA](#)) and the Securities Investor Protection Corporation ([SIPC](#)) and registered with the Securities and Exchange Commission ([SEC](#)).

**Vanderbilt Advisory Services (“VAS”) and Consolidated Portfolio Review Corp. (“CPR”)** are investment adviser firms registered with the Securities and Exchange Commission ([SEC](#)).

Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](#), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

Our financial professionals offer brokerage services, investment advisory services, or both, depending on their licenses. If your financial professional is licensed to offer you both brokerage and advisory services, your financial professional must inform you whether a recommendation or advice is part of a brokerage or advisory service when they offer an investment recommendation or advice to you.

Brokerage Services	Advisory Services
<p>Our brokerage services via <b>VS, ARK, and IUI</b> include the buying and selling of investments.</p> <p>Our brokerage services charge a <b>transaction-based fee</b>, generally referred to as a “commission”, every time you buy or sell an investment.</p> <p>We offer mutual funds, exchange traded funds (ETFs), equities, domestic and international equities, options, fixed income securities, certificates of deposit (CDs), structured notes, alternative investments, and variable annuities. <b>IUI is a broker-dealer that only offers alternative investments on a transaction-based fee basis.</b> Other firms could offer a wider range of investment choices, some of which might have lower costs.</p> <p><b>VS, ARK, and IUI</b> do not impose any account or investment minimums. These firms and their affiliated financial professionals may have limitations on investment products offered due to registrations, licensure, or no active selling agreement with a specific company. We do not offer any proprietary products. We must act in your</p>	<p>Our <b>advisory</b> services via <b>VAS and CPR</b> provide ongoing, regular advice and services in the context of broad investment portfolio management.</p> <p>Our advisory services charge <b>asset-based fees</b>, which are based on the value of investment assets under management (“AUM”) or <b>fixed or hourly fee-based</b> compensation for financial planning or consulting services.</p> <p>We offer asset allocation services and investment recommendations using mutual funds, exchange traded funds (ETFs), equities, domestic and international equities, fixed income securities, certificates of deposit (CDs), structured notes, alternative investments, and advisory-based variable annuities. Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of investment choices, some of which might have lower costs.</p> <p>We do not offer any proprietary products. Your advisory account engagement may include a managed portfolio from third-party investment</p>

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best interest and not place our interests ahead of yours when we recommend an investment or investment strategy involving securities. Certain financial professionals have unique investment strategies that are limited to specific investment products. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations.

**VS, ARK, IUI, and their affiliated financial professionals do not have investment discretion**, meaning you make the ultimate decision regarding the purchase or sale of investments.

Unless we separately agree in writing, we do not monitor your brokerage account. Our interests may potentially conflict with your interests. When we provide recommendations, we must eliminate any conflicts or tell you about them and, in some cases, reduce them.

managers. You can choose an account that allows us to buy and sell investments in your account without asking you in advance (“**discretionary account**”) or we may give you advice and you decide what investments to buy and sell (“**non-discretionary account**”). The terms of discretion are provided in your account agreement. VAS and CPR do not have investment minimums to open an account. However, third-party investment managers, if selected, may have account minimums. We are held to a fiduciary standard that covers our entire investment advisory relationship with you. We are required to monitor your portfolio, investment strategy, and investments on an ongoing basis.

Our interests may potentially conflict with your interests. We must eliminate any conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.

**For additional information**, including disclosures and conflicts of interest, please visit [www.vanderbiltfg.com/disclosures](http://www.vanderbiltfg.com/disclosures). For information specific to **VAS** and **CPR**, please review their *Form ADV, Part 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1)* and other applicable documents.

### **Conversation Starters:**

- Given my financial situation, should I choose brokerage services? Should I choose investment advisory services? 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 those qualifications mean?

## What fees will I pay?

The fees you pay depend on whether you choose brokerage services, advisory services, or both.

### **Brokerage Services**

For brokerage services via **VS, ARK, and IUI**, you pay a **transaction-based fee** every time you buy or sell an investment, commonly referred to as a “commission”.

Depending on the investment product you select, these fees can include commissions, transaction and service fees, as well as fees that are charged on an on-going basis for as long as you hold the investment (“**trails**”). Some investments, such as mutual funds and variable annuities, impose additional fees that may reduce the value of your investment over time.

With other investments, such as bonds, this fee might be part of the price you pay for the investment (called

### **Advisory Services**

For **advisory services** via **VAS** and **CPR**, you pay us an ongoing **asset-based** investment management fee, meaning that the fee is calculated as a percentage of the assets, both cash and investments, in your advisory account according to the fee schedule in your advisory agreement with us and third-party manager, if any.

Our clients typically pay the advisory management fee each quarter, but please refer to your advisory agreement for the payment frequency that applies to your account. The asset-based advisory management fee does not include transaction costs and custodial expenses. You will also pay applicable miscellaneous fees that your account’s custodian may charge,

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a “mark-up” or “mark-down”). You will also pay fees for custodial or administrative services, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and variable annuities. Because we are compensated for transactions, ***we have an incentive to encourage you to trade more frequently and in greater amounts.***

including wire fees, transfer fees, bank charges and other fees, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds and ETFs. The asset-based fee reduces the value of your account and will be deducted from your account. This means that, generally, the more assets you invest in your account, the more you will pay in management fees, and therefore ***we have an incentive to encourage you to increase your advisory account assets with us.***

*For additional information about the fees and costs for our brokerage services, please visit [www.vanderbiltfg.com/disclosures](http://www.vanderbiltfg.com/disclosures).*

*For additional information about the fees and costs for our advisory services, please see [VAS](#) and [CPR](#) Form ADV, Part 2A brochure (Items 5.A., B., C., and D), advisory agreements, and other applicable documents.*

***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:**

- Help me understand how do fees and costs 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 adviser?**

**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 must act in your best interest and not place 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:**

- ***Third-Party Payments:*** We receive payments from unaffiliated sponsors and managers when we recommend or sell certain products. As such, we have an incentive to recommend (or to invest your assets in) products of third-parties that pay us over products of third parties that do not pay us, or pay us less.
- ***Revenue Sharing:*** Certain managers, sponsors (or their affiliates), and our clearing firm share the revenue they earn when you invest in certain of their investment products, such as money market balances, bank sweep products balances, platform fees, and alternative investments through marketing money or warrants, with us. As such, we have an incentive to recommend (or to invest your assets in) products of sponsors and managers that share their revenue with us, over other products of sponsors or managers that do not share their revenue, or who share less.

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- **Affiliated Entities:** Conflicts of interest exist between **VS, ARK, IUI, VAS, CPR** and other affiliated entities. We earn compensation and other benefits when you invest in a product that we (or one of our affiliates) advise, manage, or sponsor. As such, we have an incentive to recommend (or to invest your assets in) the services of our affiliated entities.

*For additional information*, including disclosures and conflicts of interest, please see [www.vanderbiltfg.com/disclosures](http://www.vanderbiltfg.com/disclosures). For information specific to **VAS** and **CPR**, please review their Form ADV, Part 2A brochure and other applicable documents.

### **Conversation Starters:**

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

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

Financial professionals of **VS, ARK, IUI, VAS**, and **CPR** receive compensation based on whether you choose brokerage services, advisory services, or both. Factors that govern our financial professional compensation include the amount of client assets they service, the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue the firm earns from the financial professional's advisory services or recommendations.

Compensation from **brokerage services** includes **transaction-based fees**, such as commissions and other means of remuneration, from investment products and securities transactions.

Compensation from **advisory services** are **asset-based fees** calculated as a percentage of the assets, both cash and investments, in your advisory account according to the fee schedule in your advisory agreement with us and third-party manager, if any. **Fee-based** compensation consists of fixed or hourly fees for financial planning or consulting services, as outlined in your financial planning agreement.

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

**Yes.** Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. Or, visit <https://brokercheck.finra.org/> or <https://adviserinfo.sec.gov/>

### **Conversation Starters:**

- As a financial professional, do you have any disciplinary history? If so, for what type of conduct?
- Explain either your or your firm's disclosure history to me.

## **Additional information**

*For additional information about our services*, please visit [www.vanderbiltfg.com/disclosures](http://www.vanderbiltfg.com/disclosures). You will find additional, up-to-date information or a copy of this disclosure. Alternatively, retail investors can request up-to-date information and a copy of this relationship summary by calling (631) 845-5100.

### **Conversation Starters:**

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