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MOORS & CABOT

INVESTMENTS

Effective September 2021

Customer Relationship Summary

Helping you make an informed decision

Form CRS

Introduction

Moors & Cabot (M&C) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser, and is a member of the Financial Industry Regulatory Authority (FINRA)) and Securities Investor Protection Corporation (S.I.P.C.). The firm is also actively engaged as an insurance broker or agent as well as a registered municipal advisor. Moors & Cabot is a member of the New York Stock Exchange (NYSE).

Please note that brokerage and investment advisory services and fees differ. It is important for the retail investor to understand the differences.

Free and simple tools are available for you to use at <https://www.investor.gov/CRS>, a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing. In addition, please see our website: <https://www.moorscabot.com/>

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

Important Terms

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

MOORS & CABOT

INVESTMENTS

What investment services and advice can you provide me?

M&C offers both brokerage services and investment advisory services to retail investors and institutional investors. Clients may include individuals, high net worth investors, charitable organizations, corporations and other business organizations.

We are a full service wealth management and investment firm. Our capabilities include equity and fixed income sales & trading, portfolio management, retirement planning, insurance and annuities, trust services, municipal finance, banking and cash management services, etc. In addition, we offer alternative investments and tax credits.

Brokerage Services

Brokerage services allow you to provide us with instructions to buy, sell and hold your investments. Depending on your account type, we may make recommendations about your investments. You make each investment decision and do not delegate such decisions to us. Applicable federal and state securities laws, regulations and self-regulatory organizations set forth our responsibilities. Your investment professional helps you identify your investment profile, goals and strategies to assess which types of investments may be appropriate for you and must act in your best interest.

There are generally no set account minimums or investment amount applicable to brokerage accounts. We do not exercise discretionary investment authority in your brokerage account 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. As an independent firm, we do not offer any proprietary products and our investment offerings are only limited with respect to the products or types of investments permitted by law or regulation and provided through agreements with certain sponsors.

Investment Advisory Services

We provide investment advisory services through a Portfolio Management Program (PMP) wrap account on either a discretionary or a non-discretionary basis. We also offer "advice only" services for a fee on assets that may be held at custodians other than our clearing firm, RBC. For advice only service, we will review the assets and may make recommendations to the client, who has the sole responsibility to implement any buy, sell or reallocation recommendation. In addition, we offer fee-based financial planning services that may include evaluation and analysis related to estate, investment, education, risk, and retirement planning. On a limited basis, clients may receive consultation on specific areas of financial, investment, or non-securities concerns where the fee is often negotiated.

Financial Advisors provide continual and regular investment advice or investment supervisory services to clients, communicate regularly with clients, and provide ongoing monitoring of advisory accounts in accordance with the terms of the advisory agreement. PMP wrap accounts generally involves a \$50,000 account minimum, unless otherwise agreed to with the client. M&C provides investment advice on all types of securities and does not offer any proprietary products. Discretionary authority is documented in a written advisory agreement. For non-discretionary accounts, we are required to obtain verbal consent prior to making transactions in the account and the investor makes the ultimate decision regarding the purchase or sale of investments.

Additional information about our investment advisory services and programs is detailed further in Part 2A of Form ADV at <https://www.moorscabot.com>.

What fees will I pay?

Please understand that fees are different for Brokerage and Advisory services. You will pay commissions, fees, or other costs whether you make or lose money on your investments. Commissions, Fees, or other 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 corner

Questions to 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?

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INVESTMENTS

Brokerage Services Fees

Compensation in brokerage accounts is generally either direct or indirect. Direct compensation is taken directly from the affected account. Indirect compensation (e.g. mutual fund sales charge) is compensation paid other than directly from the account and may impact the value of the investment(s) in your account. Commissions are charged when you buy or sell equities and fixed-income investments when M&C acts as agent or broker.

The standard commission charges do not reflect any discounts offered or agreed upon between you and your Investment Professional. Retail investors will be charged more often when there are more trades in a brokerage account, creating an incentive to encourage more frequent trading. Markups and markdowns may be applied when you buy or sell securities where we act as principal by buying and selling from our own inventory, primarily for bonds. You may be charged sales loads (i.e. sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds, unit investment trusts, insurance and annuities. In some instances, other transaction fees (i.e. postage and handling costs) on the purchase or sale of certain equity and fixed-income products in brokerage accounts may be charged. For certain eligible accounts, interest on margin balances is charged. A percentage of any premium above the Base Lending Rate (determined by our clearing firm, RBC) is retained by our affiliated broker-dealer. Miscellaneous costs may include fees for IRAs, wire transfers, returned checks, transfer on death services, account termination, account transfers, physical certificates, etc. Our standard commission and fee schedule is provided upon the opening of an account and available upon request.

Investment Advisory Services

M&C charges asset based fees according to a standard fee schedule in which the fee percentage declines as asset size increases. Asset based fees are negotiable on a case-by-case basis and will generally not exceed 2.0%. Fees are billed on a quarterly basis in advance, and deducted from the account. The advisory account will be credited any 12b-1 fees received from mutual fund assets. In lieu of asset-based fees, M&C offers the same service on a transactional basis. In this case, commissions will vary by security and based on standard commission rates. Under this arrangement, total costs may higher or lower that the asset-based fee instances depending on the negotiated rate, investment strategy, or portfolio turnover. M&C may also charge fixed fees or hourly fees for financial Planning, consulting, or other related advisory services. We do not charge performance based or incentive fees. Asset based fees in our advisory program include all transaction costs and fees. Please note that an investment adviser charging an asset-based fee involves a potential conflict of interest. The greater the assets in an advisory account, the more fees will be paid. Accordingly, M&C may have an incentive to encourage investors to increase the assets in their account. Our fees may be higher or lower than fees charged by other investment advisers or broker-dealers. Additional information about advisory fees is detailed in Part 2A of Form ADV, which can be located at <https://www.moorscabot.com>.

Other Fees and Costs

All fees you pay to us are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds (ETFs), and publicly traded real estate investment trusts (REITS) (and similar securities) to their shareholders. These fees and expenses are listed in each fund's prospectus. Other fund costs and expenses may include 12b-1 or shareholder servicing fees that include the following: management fees, fund expenses, administrative fees, and distribution costs. Other common costs may be charged by the custodian. Some examples of these are deferred sales charges, exchange fees, IRA account fees, margin interest, wire fees, odd lot differentials, account transfer fees, etc. You will pay costs and fees 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.

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?

Standard of Conduct

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 will not put our interest ahead of yours. At the same time, the way we make money may create some potential conflicts of interest. When we serve as your investment adviser, we follow a Code of Ethics to ensure we meet our required fiduciary obligations and keep your interests first at all times. You should understand and ask us about these conflicts because

Conversation corner

Questions to ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?
- How will fees and costs affect my account
- If I give you \$10,000, how much will go to fees and costs and how much will be invested?

MOORS & CABOT

INVESTMENTS

they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest

Depending on what you buy or sell in a brokerage account, you may pay commissions, markups or markdowns, sales charges and/or administrative fees. In addition, you may pay transaction-based fees on the purchase or sale of certain equity and fixed-income products. The investments within your account also may have ongoing expenses such as distribution and/or service fees (12b-1 fees), trail and renewal commissions that reduce your investment returns. M&C receives a portion of these payments.

In an advisory account, we charge either a quarterly flat fee or an asset-based fee on a quarterly basis based a tiered fee rate schedule. This means that the greater the level of assets you invest with us, the greater the fee you pay us. We address this conflict of interest by having the tiered fee rate schedule that reduces the percentage fee at certain thresholds as you invest larger sums of money. Our fees are negotiable. For additional details about our fees, please see our ADV brochure at www.moorscabot.com.

While we do not offer proprietary products, we may receive revenue from unaffiliated third parties when making a recommendation to buy or sell certain investments. We also benefit financially from cash balances in the bank deposit sweep program, which is determined by the “spread” between the interest paid on deposit and the interest and other income earned on loans, investments and other assets. Wherever compensation is received by M&C, there exists a financial incentive and a potential conflict of interest that can affect retail investors. For additional information about potential conflicts of interest, please see our ADV brochure at www.moorscabot.com.

We use RBC Capital Markets, LLC (“RBC”) as our clearing company to execute all trades for our clients’ accounts; commission, advisory or transaction-by-transaction business. We are a separate and unrelated business from RBC. RBC has provided us with the RBC Insured Deposit sweep program as the default cash sweep program for clients. RBC compensates us on the cash balances based upon a percentage of the Federal Funds rate, which can be modified by RBC based upon the interest rate environment. M&C has no ability to change or influence the rate of return on cash sweep balances. RBC determines this. This is not shared with your financial professional and they have no additional incentive to recommend a cash balance.

Under the terms of our clearing agreement with RBC, our firm (via the broker-dealer) receives revenue sharing for the bank deposit sweep program for brokerage accounts held with our broker-dealer. These revenue sharing payments to our firm are additional income and will not offset or reduce your transactions fees, commissions, or investment advisory fees. The amount of revenue sharing paid by RBC on cash reserves varies and represents a portion of the spread between the actual interest rate and the amount that RBC pays clients. The amount M&C receives is no less than 15 basis points.

How do your financial professionals make money?

When working with your financial professional, you should know that their compensation structure creates a conflict with your interests. Financial professionals receive a portion of commissions, markups/markdowns, and sales charges. The amount differs depending on the investment and the amount of the transaction. The payout level may also vary based on the financial professional’s years of experience, the location of the branch, the type and amount of the investment, and discounts. In advisory accounts, compensation is a portion of the advisory fee, which are based on the value of the account. Depending on the type of investment account (brokerage or advisory), there exists a financial incentive to either trade more frequently and/or increase the account asset size.

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

Yes. M&C and certain of its financial professionals have disciplinary events to disclose. For more information visit <https://brokercheck.finra.org/>, a free tool to research the background and experience of financial brokers, advisers and firms. In addition, you can also go to www.adviserinfo.sec.gov or refer to your financial professional’s ADV Part 2B.

Where can I find additional information?

You can always ask your financial advisor for more information and request a copy of this relationship summary at 800-451-0500 and/or compliancemailbox@moorscabot.com

Conversation corner

Questions to ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?