



## **Regulation Best Interest Disclosure Supplement**

### **About Us**

GFG Securities, LLC is registered with the Securities and Exchange Commission (“SEC”) as a Broker-Dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”). We are also affiliated with a Registered Investment Adviser, GFG Capital. For additional information regarding advisory services available through GFG Capital or to request a copy of GFG Capital’s Form CRS, you can call (305) 810-6500 or visit [www.gfgcapital.com](http://www.gfgcapital.com).

### **About this Document**

This document is meant to provide additional information and disclosures regarding GFG Securities, LLC (“GFG”) pursuant to Regulation Best Interest.

### **Capacity in which your Financial Professional is Acting**

Your financial professional may be a Registered Representative of our Broker-Dealer, an Investment Adviser under our affiliated Registered Investment Adviser, or both. You can check your financial professional at [www.brokercheck.finra.org](http://www.brokercheck.finra.org) which will allow you to search for your financial professional by name. Their respective profile will show you if they are a broker, investment adviser, or both and you can also find additional information about our firm.

GFG does not offer brokerage accounts. In most cases, when making a recommendation to you regarding the purchase or sale of an investment directly with an investment sponsor/issuer (known as “direct business”) your financial professional is acting in his/her capacity as a registered representative under the broker-dealer. When providing advice or a recommendation regarding investments in an advisory account opened with a Registered Investment Adviser, your professional is acting in the capacity of an investment adviser. However, there are exceptions and whenever your financial professional acts in a capacity inconsistent with this guidance, you will receive updated notice in writing as to the capacity in which they are acting when making a recommendation.

### **Material Limitations**

You should understand there are material limitations to the recommendations your financial professional provides. The Firm approves and offers a limited product menu. Currently, the Firm only provides private offerings services including private placements to retail customers. There may be additional account types, products, and securities that are not offered by the Firm, which may benefit you and your portfolio. In addition, those that we do offer, may be available at a lower cost through another firm.

Additionally, the financial professionals associated with our Firm are licensed to offer certain account types, products, and securities. In some cases, even when available through our Firm or an affiliate, your financial professional might not be able to recommend a particular account type, product, and/or security which may benefit you and your portfolio. You can check to see the licenses your financial professional holds, by visiting [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

### **Requirements for You to Invest with Us**

Generally, the Firm does not require a minimum investment [MOST TIMES THERE IS A MINIMUM, DISCUSS]. However, the Firm does recommend some products which require a minimum investment. This amount can usually be found on the investment prospectus, offering materials, or similar document.

## **Our Firm's Investment Approach**

The Firm uses its industry knowledge and experience to provide brokerage services to retail clients [RETAIL?] as well as investment advice, through its affiliated registered investment adviser. The firm seeks to understand our clients' unique investment profiles and recommend investments and strategies consistent with their unique financial needs. However, the products and services offered by the Firm do vary and the investment philosophy, approach, risk, and objective of these investments will too. You should review the prospectus, private placement memorandum, or similar offering documents thoroughly before making an investment and contact your financial professional should you have additional questions.

## **Material Fees, Costs, and Associated Conflicts**

The Firm and its associated professionals receive compensation directly or indirectly from the investments a customer makes. The Firm and its associated persons receive selling concessions from the entities in which clients invest in. We may also receive indirect compensation from the issuer depending on our affiliation with the investment we are recommending and whether or not we are acting in additional consulting or management capacities. It is important to note that the amount of compensation can change over time. In order to receive specific and the most up-to-date information, customers should review the respective prospectus, offering document, and/or similar documents. Customers should discuss with their financial professional if they have any questions regarding compensation and/or conflicts of interest.

### Sales Compensation

The Firm receives selling compensation when it buys or sells a security. This selling compensation is also referred to as a placement fee. Typically, the Firm receives selling compensation and shares a certain percentage of the selling compensation with your financial professional.

Because the amount of selling compensation charged can vary between different securities and products, this could create an incentive to sell certain investments over others. It could also create an incentive to conduct a higher number of transactions. You should review the investment prospectus, offering memorandum, private placement memorandum, or similar offering materials to view the sales compensation associated with a particular investment.

- **Alternative Investments and Private Offerings:** The Firm typically receives a maximum upfront commission of 10% for the sale of alternatives investments such as hedge funds, private equity funds, real estate investment trusts (REITs), and private placements.

### Product Costs and Fees

Financial professionals provide recommendations with respect to a broad range of investments. Many of the issuers of these investments charge fees and costs that are separate from and in addition to the commissions and fees that the Firm and financial professionals receive. You can learn more about these fees and costs charged by an investment product by reviewing the investment product's prospectus, offering memorandum, private placement memorandum, or similar disclosure documents.

### Registered Representative Specific Compensation

Registered representatives compensation package typically includes a percentage of the selling compensation and commissions. In addition, financial professionals may also receive bonuses and additional indirect compensation for an investment depending on their capacity and affiliation with the issuer as described above.

### Additional Compensation from Third Parties and Associated Conflicts

In addition to the commissions and sales compensation described above, the Firm and your financial professional also receives additional compensation from third-parties. This additional compensation could create incentive for the Firm to recommend certain investments over others. It's important to note, however, that the amount of compensation can change and vary between security types

and product/investment sponsors. In order to receive specific and the most up-to-date information, customers should review the respective prospectus, offering document, private placement memorandum, and/or similar offering documents.

- **Product Onboarding and Due Diligence:** The Firm receives onboarding fees or reimbursement for certain expenses associated with product onboarding, including due diligence. These payments can be fixed or a percentage of the total value of an offering.
- **Non-Cash Compensation and Marketing:** The Firm and its employees periodically receive compensation that is not transaction based from investment sponsors. This includes entertainments such as tickets to a sports game, costs associated with dinner, small gifts valued at less than \$100, or marketing fees for workshops, events, and advertising.
- **Advisory, Consulting, and Affiliations:** As described above, the Firm is affiliated with or acts in additional advisory and consulting capacities to some of the issuers of investment which we may recommend. Accordingly, the compensation we receive can vary greatly depending on our capacity which could increase the level of compensation we receive beyond the selling compensation described above. This may include, but is not limited to retainer fees, success fees, and other compensation. We may also receive reimbursement for certain expense. We have an incentive to recommend investments offered by these issuers as it generates additional compensation for the Firm. In order to receive more detailed information regarding our compensation in connection with a security we may recommend, you should review the investment prospectus, private placement memorandum, offering document, or similar offering and disclosure materials.

### **Additional Conflicts of Interests**

***Gifts and Entertainment*** A conflict of interest may arise when an employee receives or offers a gift, entertainment, or anything of value that creates an incentive for an employee, third party service provider, or a client to act in a certain way.

***Outside Business Activities*** When approved, registered representatives may engage in certain outside business activities. This may include, but is not limited to: real estate, accounting, insurance, legal, and other professions. As a result, financial professionals may be incentivized to recommend certain products or services outside the scope of their relationship with the firm and they may benefit financial from these recommendations. In addition, employees may engage in personal trading or outside business activities (including board memberships/directorships) could conflict with a client or with the firm.

***Political and Charitable Contributions*** The Firm and/or its employees charitable and/or political donations could create the perception that the company or employee is seeking a quid pro quo.

***Confidentiality*** The Firm and its employees are periodically exposed to confidential information which may benefit us or a client.

***Supervision Conflicts*** When a manager is also producing and/or holds a financial interest in the investment we recommend, he/she may be incentivized to spend more time on revenue generating activities than supervision activities.

***Recommendations to Other Financial Professionals*** Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be recommended to clients or engaged directly by the client on an as-needed basis. Although not directly compensated for these referrals to outside entities, your financial professional may receive referrals from these professionals, which might incentivize them to recommend a particular professional over another.

### **Understanding Risk**

Our Firm does not provide tax, legal or accounting advice. Accordingly, we encourage each customer to consult their own personal tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular investment strategy.

Investing in securities involves risk of loss that customers should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will be profitable for a customer's investment portfolio. Past performance is not indicative of future results. A customer should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized. The following is a non-exhaustive list of risks associated with investing. For additional product-specific risks, customers should review their prospectus, offering document, or similar materials and consider them carefully prior to making an investment decision.

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial/Credit Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.