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Regulation Best Interest - Disclosure Supplement

Introduction

This document is meant to provide you with important and additional information and disclosures regarding Bulltick, LLC ("Bulltick BD" or "Firm") pursuant to Regulation Best Interest ("Reg BI"). You should review this document carefully and consider the information, along with information found in other important documents we may provide to you. Please feel free to contact us or your financial professional if you have any questions or concerns.

Bulltick BD and Bulltick Wealth Management, LLC ("Bulltick RIA") are common-owned related companies. Bulltick BD is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer, is a member of the Financial Industry Regulatory Authority ("FINRA"), the National Futures Association ("NFA") and the Securities Investors Protection Corporation ("SIPC"). Bulltick RIA is a Registered Investment Adviser with the SEC. As indicated above, this document pertains to Bulltick BD, for more detailed information on the advisory products and services we offer through Bulltick RIA, visit its Form ADV, Part 2A Brochure by [clicking here](#).

Capacity in which your financial professional is acting

Your financial professional may be a registered representative of Bulltick BD, an investment adviser under Bulltick RIA, or both. You can check the registration status of your financial professional at 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.

In most cases, when making a recommendation to you regarding investments in your brokerage account or directly with an investment sponsor (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 a fee-based account, your professional is acting in the capacity of an investment adviser pursuant to a separate investment advisor agreement that you would execute with Bulltick RIA. Your account application or agreement will identify which type of account you have. However, there are exceptions and whenever your financial professional acts in a



capacity not listed in this document (e.g. insurance agent), you will be informed 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 only certain account types, products, and securities. There may be additional account types, products, and securities that are not offered by the Firm, and 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. You can check to see the licenses your financial professional holds, by visiting brokercheck.finra.org/.

Requirements for You to Open or Maintain an Account with Us

Generally, the Firm does not have a minimum amount to open a brokerage account. However, it is important to note, some products we recommend will require a minimum investment, which can be found on each product's 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 as well as investment advice, through Bulltick RIA. 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 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 from their customers or indirectly from the investments a customer makes. This compensation takes the form of upfront compensation and/or ongoing compensation, known as trailing compensation. 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 other transaction statement. Customers should discuss with their financial professional if they have any questions regarding compensation and/or conflicts of interest.



Sales Compensation

The Firm receives transaction compensation when it buys or sells a security. This transaction compensation is also referred to as a commission, markup/markdown, placement fee, or sales charge/load. Typically, the Firm receives transaction compensation and may share a certain percentage of the transaction compensation with your financial professional.

Because the amount of transaction 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. The below numbers are based on brokerage accounts. Clients with an advisory relationship with Bulltick RIA typically pay lower transaction compensation.

- **Equity (Stocks)/ETF (Exchange Traded Fund)/ETN (Exchange Traded Note)/ CEF (Closed End Fund)/Options:** The Firm charges a commission when buying or selling these types of securities. The amount we charge can vary and will typically not exceed 2%, but we may require a minimum commission which could exceed this threshold on smaller transactions.
- **Fixed Income:** Typically, fixed income securities, such as corporate bonds, municipal bonds, collateralized mortgage obligations (CMO), and other types of fixed income securities are charged a markup or markdown. There is no commission on these trades. This means when a customer is seeking to purchase one of these securities it is first purchased by the Firm, then a mark-up (for buys, or a mark-down for sells) is included in the final price. This is the final price given to the client. The amount charged in the form of a markup or markdown can vary based on the type of security, its liquidity in the market, the size of the order, market conditions and other factors but typically does not exceed 2% of the investment amount, it is usually lower, but this amount can go higher in certain circumstances that may make the security harder to buy or sell, including a thinly traded security or a low-priced security.
- **Mutual Funds:** The Firm may charge a sales load upon the purchase of mutual fund shares. Mutual fund sales loads are described in each fund's prospectus, including share class differences, any sales break levels as well as maximum charges. The sales load the Firm charges typically does not exceed 3% sales load on mutual funds, but this amount can be reduced based on a number of factors, including the amount invested and the share class selected. Any sales load reduces the value of your investment. The Firm may also receive trailing compensation on these investments which can also vary based on the share class selected. Cases where the clients are also a client of Bulltick RIA have trailer fees credited back to their accounts at Bulltick BD.
- **Alternative Investments:** The Firm typically does not charge the customer any load on these investments and is compensated by the issuer/fund manager. The firm receives a maximum upfront placement fee of 2% for the sale of alternatives investments such as hedge funds, private equity funds, real estate investment trusts (REITs), business development companies (BDCs) and private placements. These fees may vary considering the characteristics of the product and the size of the investment.



- **Structured Products:** The Firm typically receives upfront commissions as high as 1% for the sale of some structured products. These fees may vary considering the characteristics of the product and the size of the investment.
- **Understanding Share Classes:** The amount of upfront selling compensation versus trailing compensation charged on certain products, such as mutual funds, will vary depending on the share class selected. In order to see a complete list of the share classes available for a particular investment and their respective costs, you should review the investment prospectus, offering document, and/or other transaction statement.

Product Costs and Fees

Financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, and alternative investments. Many investment products 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, or other disclosure documents.

Account Fees

In addition to the commissions and sales charges described above, customers can also be charged direct fees and charges for, but not limited to, miscellaneous account services such as wire transfers, inactivity fees, account transfers (ACAT), error corrections, and account maintenance. These fees are typically charged by us and may be shared with the Firm. For additional information regarding these charges and fees you should review your account agreement and discuss these charges with your financial professional.

Registered Representative Specific Compensation

Registered representatives' compensation package typically includes a percentage of the firm compensation described herein. The percentage of revenue the registered representative receives is negotiated with the Firm on a periodic basis depending on a number of factors.

Additional Compensation from Third Parties

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 and services which result in more or additional compensation. 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 prospectus, offering document, account agreement, and/or similar materials.



- **Other Trailing Compensation:** The Firm also receives trailing compensation, including 12b-1 fees, which are paid from certain investment sponsors for mutual funds and alternative investments. The amount can vary based on the product and amount invested. For mutual funds, the maximum amount is typically 1%, while alternative investments can be as high as 2%. Cases where the clients are also a client of Bulltick RIA have 12b-1 fees credited back to their accounts at Bulltick BD.
- **Non-Cash Compensation and Marketing:** The Firm and its employees may 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.
- **Securities Lending:** The Firm along with the customer, may receive a fee for securities lent to the clearing firm as part of a securities lending agreement. The amount of compensation received by the Firm will vary depending on a number of factors. You should review your account agreement, stock-lending agreement, or similar materials for additional details.
- **Margin or Portfolio Line of Credit:** When a customer receives margin or a portfolio line of credit, the Firm will receive a percentage of the balance lent, which will vary based on a number of factors. You should review your margin agreement or similar document for additional details.
- **Payment for Order Flow:** The Firm may receive remuneration for directing orders in securities to particular market centers for execution. The Account Holder understands that this remuneration, known as “payment for order flow,” is considered compensation to the Firm.

Additional Conflicts of Interests

Below is a brief description of additional conflict on interests that usually applies to you. We have policies and procedures mitigating or eliminating the listed conflicts of interest.

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.

Shared Revenues and Payments from Third Parties. We receive shared revenue, fees, and/or payments from product sponsors and our clearing firm which could create an incentive to offer or recommend certain activities and investments.

Multiple Roles. The firm or its affiliates may perform multiple roles with respect to a client or transaction (e.g., adviser, broker, riskless principal counterparty). These roles mean we might be biased regarding the services we recommend as they relate to these roles.



Acting in Principal Capacities. We can earn a profit from buying and selling investments from our own accounts so we may have an incentive to encourage you to trade with us.

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, 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.

Affiliated Entities. As mentioned above, the Firm is affiliated with a registered investment adviser, Bulltick RIA. We have an incentive to refer clients to Bulltick RIA as it generates additional compensation for the enterprise. In addition, we (the broker-dealer) may also receive compensation when performing certain custody or execution services on behalf of Bulltick RIA. The Firm is also affiliated with other entities, including investment products and insurance services. The Firm and Client's investment professional are incentivized to refer clients to all of these affiliates as it generates additional compensation for the firm and investment professional, directly, or through these affiliated entities.

Financial Interest (GP or Manager). The Firm is sometimes affiliated with or manages some of the investments we recommend to customers. Accordingly, the Firm and certain employees have a financial interest in these entities which can create an incentive to recommend these investments to customers.



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.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **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.