

# Cascade Investment Group, Inc.

## Broker-Dealer Conflicts of Interest Disclosure

December 23, 2022

*This disclosure applies solely to the broker-dealer services of Cascade Investment Group, Inc. and not to its investment advisory services or the associated persons of Cascade. For purposes of discussing the Conflict of Interest Obligation, the term “broker-dealer” or “you” refers only to Cascade and not to such individuals.*

**Conflicts of Interest Related to RBC.** Cascade clears through RBC Capital Markets, LLC (“RBC”). This means RBC is our clearing firm and acts as custodian for your account(s). We execute all equity and fixed income trades for you through them. Cascade also directs its investment advisory clients to clear through RBC as well. Cascade is a separate and unrelated business from RBC.

**Conflicts of Interest Related to Cascade’s Dual Registration.** Cascade is a dually registered firm which means we provide services for both brokerage accounts and investment advisory accounts. We receive management fees from our advisory services accounts which is different than the transaction-based commissions we receive from you for each buy or sale transaction that you do.

**Conflicts of Interest Related to Mutual Fund or Exchange-Traded Fund (ETF) No Transaction Fee Programs.** Your financial representative purchases mutual funds and ETFs offered on RBC’s No Transaction Fee (NTF) Programs. Your financial representative can buy, sell, and exchange load and no-load mutual funds and ETFs without incurring ticket clearing costs. Ticket clearing costs at present are \$16 per trade. This practice is a conflict of interest as it provides your financial representative an incentive to recommend mutual funds and ETFs from this list and subsequently, he or she will not pay a ticket’s clearing cost for those transactions. You do not pay for this program directly, however since your financial representative is responsible for the payment of trading expenses, he or she has a financial incentive to use NTF funds to decrease his or her clearing expenses. This creates an incentive for your financial representative to recommend or use such NTF funds over other funds that are available. Your financial representative selects or recommends securities that he or she believes are in your best interest and the costs paid both by he or she and you are part of the account review and security selection process.

**Conflicts of Interest Related to Mutual Fund Share Class Selection.** Many mutual funds offer multiple share classes. In certain circumstances your financial representative will not invest in the lowest share class available. Use of NTF funds, as described above, does, at times, lead to the use of

higher expense share classes. Your financial representative can purchase or hold a share class that pays 12b-1 fees when a less costly share class of the same fund is available. As a result, you should not assume that you will be invested in the share class with the lowest available expense ratio. Since mutual fund fees and expenses are paid from fund assets, higher fees and expenses result in lower returns.

Mutual fund issuers often offer multiple share classes with different expenses. Your financial representative will choose a share based on multiple factors, including but not limited to, eligibility requirements, distribution agreements and NTF eligibility. Cascade and your financial representative have a conflict of interest, as described above, when using NTF eligible funds as he or she will, at times, not purchase the lowest share class available. In addition, Cascade does not screen mutual funds held in your account that are transferred from your prior brokerage firm for share class review and this could lead to you continuing to hold more expensive shares classes than are otherwise available and used by Cascade. Cascade and your financial representative receive additional payments from mutual funds that have 12b-1 fees.

**Conflicts of Interest in Other Fees/Service Charges per Trade Transactions.** All trades, except mutual fund transactions, will have an “Other Fees/Service Charge” annotated on the trade confirmation and this charge is \$3.00 at present that you will pay for each buy and sell transaction in your brokerage account. It is subject to change without notice. This fee is retained by RBC for processing expenses.

**Conflicts of Interest for New Issue Security Purchase.** When a new issue security is purchased, your financial representative will receive a concession which is additional income in addition to the commission that you will pay for this investment. If you would purchase this security after its initial issue, your financial representative would not receive the concession, therefore your financial representative has an incentive to recommend the purchase of initial issue securities.

**Conflicts of Interest due to 529 (College Savings) and ABLE (Special-Needs Savings) Accounts.** There are numerous college savings and ABLE savings plans available for you to select. We will recommend the plans that pay us commissions. You have the ability to choose an alternative plan where we do not receive commissions, but we will not provide service on those plans.

**Conflicts of Interest due to Insurance Sales.** You may purchase life insurance, fixed or variable annuities, disability insurance and long-term care insurance through Cascade. We receive additional commissions if you elect to purchase these products.

**Conflicts of Interest Related to Client Education Events.** When we provide educational events that are held at restaurants or meeting places that serve refreshments and food, we will often have the event sponsored and paid for by one of our preferred mutual fund companies. The mutual fund companies do this because we invest our clients in their funds. The training that the sponsoring mutual company provides is broad-based and not specific to their funds. We have an incentive to request their sponsorship as it pays for the cost to hold these events and also provides industry expertise.

**Conflicts of Interest due to Majority Stock Ownership of Firm by Bank.** Cascade is majority-owned by Eastern Colorado Bank. We do not receive additional compensation if you are referred to us from the bank for our services. We do not pay the bank for referrals. We do not receive additional compensation if we refer you to the bank for their services.

**Conflicts of Interest due to Additional Fees for Services that are charged by RBC.** If you choose to request any of the services shown on the attached Client Fee Listing report, RBC will charge you a processing fee. These fees vary in cost depending on the services requested and are subject to change. We recommend you contacting us to ensure the fees enclosed have not changed since your receipt of this document.([See Attachment A](#))

## Client Fee Listing as of April 1, 2022



Below is a list of fees that may be charged to your account(s) with Cascade Investment Group, Inc that are custodied at RBC Clearing & Custody, a division of RBC Capital Markets, LLC. The list of fees does not include customer handling, commissions or any other trade related fee as those fees are disclosed on each trade confirmation. With the exception of fees that are “pass through”, “at cost”, “prorated”, “interest charged”, or that provide a range as a guideline, the fee listed is the highest amount that will be charged for the service provided. Fees may change at any time as permitted by applicable regulations and the terms of the clearing agreement between Cascade Investment Group, Inc and RBC Clearing & Custody.

| Fee Name  | Total Fee Amount   |
|---|--|
| Account Pledge  | \$200.00   |
| Alternative Investment– Transaction fee                                   | \$300.00   |
| Alternative Investments– Maintenance fee                                  | \$100.00   |
| American Depository Receipt (ADR) Pass Through Fee <sup>1</sup>           | Pass through <sup>1</sup>  |
| Annual Account Fee  | \$50.00  |
| Bank Wire – Domestic  | \$10.00  |
| Bank Wire – Foreign   | \$75.00  |
| Cash Management Account Related Fees                                      | Please refer to the Cash Management Account Agreement <sup>2</sup>         |
| Cashless Stock Option Exercise  | Please refer to the Employee Stock Option Exercise Form                    |
| Direct Registration System (DRS) Transfer Fee (Incoming)                  | \$25.00  |
| Direct Registration System (DRS) Transfer Fee (Outgoing)                  | \$25.00  |
| Dividends & Reorgs – Coupons Received for Collection (per shell or issue) | \$10.00  |
| Dividends & Reorgs – Charge for Late Instructions on Expiring Items       | \$15.00  |
| Duplicate Tax Documents (Paper copies)                                    | \$1.25*  |
| Duplicate Confirm (Paper copies)  | \$1.25*  |
| Duplicate Statement (Paper copies)  | \$1.25*  |
| Deposit / Withdrawal at Custodian (DWAC) Fee                              | Ranges from \$25.00 to \$150.00 <sup>3</sup>                               |
| Escheatment   | \$125.00   |
| Extensions  | \$10.00*   |
| Globe Tax Basic Services  | 3% of recovered withheld tax; maximum of \$200 per occurrence <sup>4</sup> |
| Legal Deposit / Transfer  | \$60.00*   |
| Non-Sufficient Funds (NSF) Fee  | \$30.00  |
| Non-Transferable Security Custody   | \$2.00 per position, per month   |
| Outgoing IRA ACAT Fee   | \$120.00   |
| Outgoing Non-IRA ACAT Fee   | \$120.00   |

\*Cascade Investment Group, Inc may pay these fees on your behalf.

| Fee Name   | Total Fee Amount   |
|--|--|
| Overnight Check  | \$10.00  |
| Partial Transfer   | \$25.00 per transfer   |
| Physical Certificate Reject Fee                                      | \$200.00   |
| Physical Certificate (Non-DRS Eligible and DRS Eligible Securities)  | \$650.00   |
| Prepayment Fee   | Interest Charged <sup>5</sup>                                    |
| Retirement – 403(b) Account Fee                                      | \$35.00  |
| Retirement – Custodial Qualified retirement closing fee              | \$50.00 + Prorated Annual Fee                                    |
| Retirement – Custodial Qualified retirement plan annual fee          | \$75.00 per employee account + \$5.00 per additional participant |
| Retirement – Custodial Qualified retirement plan set up fee          | \$25.00 per employee account + \$5.00 per additional participant |
| Retirement – IRA Annual Account Fee                                  | \$35.00  |
| Retirement – IRA Account Closing Fee                                 | \$120.00   |
| Retirement – Self-trusteed plan annual fee (one plan / paired plan)  | \$150.00 / \$250.00  |
| Retirement – Self-trusteed plan closing fee (one plan & paired plan) | Prorated Annual Fee  |
| Retirement – Self-trusteed plan set up fee (one plan / paired plan)  | \$200.00 / \$300.00  |
| Returned Check   | \$25.00  |
| Rule 144 / Restricted Stock Deposit Fee                              | \$25.00*   |
| Safekeeping Fee  | \$50.00  |
| Security Transfer Fee – International                                | \$140.00*  |
| Transfer Agent Fees  | At Cost  |
| Transfer on Death Account Change Fee                                 | \$30.00  |
| Transfer on Death Account Distribution Fee                           | 0.10%  |
| Transfer on Death Account Set-Up Fee                                 | \$50.00  |
| Unrelated Business Taxable Income (UBTI) Filing Fee                  | \$250.00   |
| Voluntary Non-Physical Reorg   | \$15.00*   |
| Voluntary Physical Reorg   | \$30.00*   |

### Notes:

- 1) ADR pass through fees are outlined in the ADR prospectus.
- 2) The Cash Management Account application contains a fee schedule that outlines fees related to a Cash Management Account (checking related fees, wire transfer and ACH fees, and VISA gold check card fees).
- 3) DWAC is determined by the transfer agent, but typically ranges from \$25.00 to \$150.00.
- 4) Clients who hold or purchase Canadian, Irish, or Japanese securities are automatically enrolled in this service. Clients may opt-out at any time by contacting their Financial Professional. Global Tax Full Services are also available at an additional cost. Please contact your Financial Professional if you would like to opt-out or sign up for Global Tax Full Services. Fees & jurisdictions covered are subject to change at any time.
- 5) The calculation to determine the interest is:  $\$25.00 + (\text{Actual Prepay Amount} \times \text{Interest Rate} \times (\text{Days to Settlement}) / 360 \text{ days})$ . The interest rate is equal to RBC's Base Lending Rate plus a sliding scale of percentages according to the size of the actual prepay amount. Please contact your Financial Professional for RBC's Base Lending Rate.