



Regulation Best Interest Disclosure Supplement

About Us

GFG Securities, LLC (“GFG Securities”) 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, LLC (“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.

About this Document

This document is meant to provide additional information and disclosures regarding GFG Securities 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 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 Securities 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. GFG Securities offers a limited product menu. Currently GFG Securities provides real estate investment banking advisory services and private offerings services to retail investors. There may be additional products and securities offerings that are not offered by GFG Securities, 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 GFG Securities are licensed to offer certain account types, products, and securities. In some cases, even when available through GFG Securities 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.

Requirements for You to Invest with Us

GFG Securities recommends some products which require a minimum investment. This amount can usually be found on the private placement memoranda or similar offering documents.

GFG Securities' Investment Approach

GFG Securities seeks to understand our investors' unique investment profiles and recommend investments consistent with their unique financial needs. You should review the private placement memoranda 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

GFG Securities charges advisory fees for our real estate investment banking advisory services. It may also charge retainer fees, success fees, and other compensation, depending on the specific advisory services. In addition, GFG Securities recommends private placements which require a minimum investment and receives compensation for such recommendations. The minimum investment amount can usually be found on the private placement memoranda or similar offering documents.

Certain investments may impose additional fees that will reduce the value of your investment over time. Investors should review the private placement memoranda or similar offering documents, disclosure materials, and subscription agreements carefully to understand the fees, costs and conflicts of interest associated with their investment. Transactions of higher amounts result in us earning more fees. This could create an incentive to encourage you to conduct a transaction of a higher amount or to engage in additional transactions.

GFG Securities and its associated professionals receive compensation directly and/or indirectly from the investments an investor makes. GFG Securities and its associated persons receive compensation from the entities in which investors 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, investors should review the respective private placement memoranda or similar offering documents.

Investors should discuss with their financial professional if they have any questions regarding compensation and/or conflicts of interest.

Sales Compensation

GFG Securities receives a selling compensation when it places a security in a private offering. This selling compensation is also referred to as a placement fee. Typically, GFG Securities receives selling compensation and shares a certain percentage of the selling compensation with your financial professional. Transactions of higher amounts result in GFG Securities earning more fees. This could create an incentive to encourage you to conduct a transaction of a higher amount or to engage in additional transactions.

Product Costs and Fees

Financial professionals provide recommendations with respect to a broad range of investments. You can learn more about these fees and costs charged by an investment product by reviewing the investment product's private placement memoranda or similar offering documents.

Registered Representative Specific Compensation

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

Additional Compensation from Third Parties and Associated Conflicts

In addition to the commissions and sales compensation described above, GFG Securities and your financial professional also receive additional compensation from third-parties. This additional compensation could create incentive for GFG Securities 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, investors should review the respective prospectus, offering document, private placement memorandum, and/or similar offering documents.

- **Product Onboarding and Due Diligence:** GFG Securities 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:** GFG Securities 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, or marketing fees for workshops, events, and advertising.
- **Advisory, Consulting, and Affiliations:** As described above, GFG Securities 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 expenses. We have an incentive to recommend investments offered by these issuers as it generates additional compensation for GFG Securities. 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 an investor to act in a certain way.

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

Political and Charitable Contributions: GFG Securities 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: GFG Securities and its employees are periodically exposed to confidential information which may benefit GFG Securities or an investor.

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 investors by its financial professional or engaged directly by the investor 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 him/her to recommend a particular professional over another.

Understanding Risk

GFG Securities does not provide tax, legal or accounting advice. Accordingly, we encourage each investor 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 investors 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 an investor's investment portfolio. Past performance is not indicative of future results. An investor 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 investor will be realized. The following is a non-exhaustive list of risks associated with investing.

For additional product-specific risks, investors should review their private placement memoranda or similar offering documents and disclosure 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.