

Highlander Capital Management, LLC (HCM) & Highlander Capital Group, Inc. (HCG) Client Relationship Summary Disclosure

Effective June 30, 2020

HCG and HCM (“we”, “us”, “HCG” or “HCM”) is a registered broker-dealer and has an affiliated investment adviser that is registered with the U.S. Securities and Exchange Commission (SEC). This disclosure summarizes the differences between our brokerage and investment advisory services and fees. It is important for you to understand these differences (and our conflicts), particularly when you are deciding to open and fund either a brokerage or advisory account with us. Free and simple tools are available for you to research firms at the SEC’s investor education website, Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. You can find additional information about us and our financial advisors on the Financial Industry Regulatory Authority’s (FINRA) website located at www.finra.org/brokercheck.

This disclosure is provided to comply with the SEC’s Form CRS and Regulation Best Interest disclosure requirements. It does not create or modify any agreement, relationship, or obligation between you and HCG or HCM (or its financial advisors). Please consult your agreements with HCG and HCM for all terms and conditions controlling your account and relationship with us. Additional information is available on our website at www.highlandercapital.com.

This disclosure includes information about our services, fees and costs, and conflicts of interest that we are required to provide to you when we recommend that you open and fund either a brokerage or advisory account, or when we recommend that you roll over or transfer assets to a brokerage or advisory account with us. Additional information about the securities we may recommend to you in your brokerage account is included in our Regulation Best Interest Brokerage Disclosures and our “Advisory Disclosure Documents”, which are available at www.highlandercapital.com.

PLEASE RETAIN A COPY OF THIS DOCUMENT FOR YOUR RECORDS

Investment and insurance products offered through HCG or HCM are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

WHAT INVESTMENT SERVICES AND ADVICE CAN WE PROVIDE YOU?

Depending on your needs and your investment objectives, HCG or HCM may assist you with brokerage services, investment advisory services, or both.

Our Investment Offerings

In both our brokerage services and investment advisory services, we offer and recommend a wide range of investments including but not limited to: mutual funds, stocks, bonds, exchange-traded funds (ETFs), options, fixed income securities, certificates of deposit (CDs), unit investment trusts (UITs), structured notes, variable annuities, and variable life insurance, including investments or other products that we and our affiliates issue, sponsor, provide or manage (“proprietary products”), as well as investments from unaffiliated third-parties. We do not limit our investment offerings or recommendations to proprietary products, specific asset classes, or to those with third-party compensation arrangements, though we expect to receive compensation from third-parties in connection with most of the investments we offer, including, in particular, mutual funds, variable annuities, and cash sweep options.

Brokerage Services

Our brokerage services include buying and selling securities (e.g., mutual funds, stocks, and bonds) at your direction. From time to time, or when you request, we also provide you with investment recommendations, research, financial tools, and investor education. Unless we are providing you with investment advice for a fee under an investment advisory agreement, investment recommendations we make to you, including recommendations to open or transfer assets to a brokerage account, we will be acting in our capacity as a broker-dealer. When making such a recommendation to you, we do not have a fiduciary obligation, but we must act in your best interests at the time we make the recommendation without placing our financial or other interests ahead of yours.

Limits on Monitoring and Investment Discretion

Unless granted written trading authorization, we do not exercise discretionary investment authority in your brokerage account (i.e., make decisions to buy or sell your investments without your direction) 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.

No Account Minimums

You do not need to have a minimum amount to invest to open a brokerage account with us, but some of the investments you may purchase through us have minimum investment requirements. For more information regarding minimum investment requirements, please refer to the prospectus or offering documents for your investment. More information about our brokerage services is included in our “Brokerage Disclosure Document”, which is available at www.highlandercapital.com.

Investment Advisory Services

Our investment advisory services include managing and allocating client assets among investments available through our separately managed account program. When we provide you with investment advice for a fee under an investment advisory agreement, including advising you to open or transfer assets to an advisory account, we will be acting in our capacity as an investment adviser. As an investment adviser, we have certain fiduciary obligations to you.

Investment Discretion

Depending on the services you select, we will provide you with investment recommendations and you will make the ultimate decision regarding your investments (“non-discretionary advice”), or we will make investment decisions for you without your input (“discretionary advice”). The terms and limits of our discretionary authority are described in your advisory agreement with us.

Monitoring

We periodically monitor your advisory account for you as part of our advisory services in accordance with the terms of your advisory agreement with us. The frequency and limitations of our account monitoring depend on the advisory program that you select.

Account Minimums

You must meet certain account minimums to open an advisory account. More information about our investment advisory services and current account minimums for advisory programs are described in our “Advisory Disclosure Documents” (Form ADV, Part 2A brochures), which are available at www.highlandercapital.com.

Additional Information

Please see our “Advisory Disclosure Documents”, other applicable documents which are available at www.highlandercapital.com, and, for our brokerage services, our Regulation Best Interest Brokerage Disclosures also available at that website.

WHAT FEES WILL YOU PAY?

Brokerage Services

For our brokerage services, the primary fees you pay are “transaction-based” fees. These fees are typically called “commissions,” “sales charges,” “loads,” “selling concessions,” or “trails”. These fees vary depending on the investment product you select, the capacity in which we act, and the size of your transaction, and can be charged up-front when you purchase or sell the investment, or on an ongoing basis for as long as you hold the investment (“trails”). If we purchase a security from you or sell a security to you from our own account (as “principal”), rather than acting as your agent to purchase or sell a security from a third party, we are paid by marking the price up or down and retain that difference, which is a benefit to us. Because we are compensated for these transactions, we may have a conflict of interest to encourage you to invest in products that pay us greater compensation than those that pay us less, to trade more frequently and in greater volume, and trade with us as principal because we generally receive more revenue when you do so.

Description of Other Fees and Costs

In addition to the foregoing fees, our clearing and custody partner, RBC Capital Markets, LLC may assess certain fees associated with your brokerage account, such as account termination fees, and account transfer or liquidation fees, depending on the advisory program. For a schedule of fees charged by RBC CS and your brokerage firm, you may visit Investor Connect through your Financial Professional’s website or directly at www.investor-connect.com where a list of fees is included in the most recent electronic statement insert section for the periods ending March, June, September or December. More information is included in your “Regulation Best Interest Brokerage Disclosures” which is available at www.highlandercapital.com. The fees and costs you pay for specific securities transactions are disclosed to you on the confirmation statement you receive after your transaction is executed. The total costs you incur (and compensation we earn) in connection with your brokerage accounts will primarily depend on your investment mix and how frequently you trade.

Investment Advisory

For our investment advisory services, you pay a fee for our separately managed account program. In addition to the discretionary or non-discretionary investment advisory services that HCM provides in connection with the investment advisory program, certain trade execution, custody, and other brokerage services may be charged. Our fees are “asset-based” meaning that they are calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your advisory agreement with us. This means that the more assets you maintain in your account, the more you will pay in fees, and therefore we have an incentive to encourage you to increase your advisory account assets. In addition, we generally earn more compensation when you invest with us through an advisory account instead of a brokerage account, particularly if you trade infrequently or purchase investments that would pay us lower commissions and other compensation if purchased through a brokerage account. This may create an incentive for us, and your financial advisor, to recommend that you open, or transfer assets to, an advisory account instead of a brokerage account. More information about Program Fees is available in our “Advisory Disclosure Documents,” which are available at www.highlandercapital.com.

Description of Other Fees and Costs

In addition to the fees described above, our clearing and custody partner, RBC Capital Markets, LLC (RBC) and/or, Pershing Advisor Solutions (PAS) may assess certain fees associated with your advisory account, such as account termination fees, and account transfer or liquidation fees, depending on the advisory program. For additional information, please see your Customer's Agreement and our "Advisory Disclosure Documents" and other applicable documents which are available at www.highlandercapital.com. The fees and costs you pay for investment advisory services are disclosed to you on the account statements you receive each quarter. The total costs you incur (and compensation we earn) in connection with your advisory accounts will primarily depend on the assets in your advisory account.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE A LEGAL OR DISCIPLINARY HISTORY?

No. Clients and prospective clients may visit investor.gov/CRS for a free and simple search tool to research our firm and financial professionals.

HOW DO YOUR FINANCIAL ADVISORS MAKE MONEY?

HCG and HCM financial professionals are compensated based upon a percentage of advisory fees or commissions, as applicable. This percentage may vary based on the industry experience and tenure. As the amount of commissions and fees paid by a client increase or decrease, the compensation paid by the firm to the client's financial professional increases or decreases.

Additional Information

Please see our "Advisory Disclosure Documents", other applicable documents which are available at www.highlandercapital.com, and, for our brokerage services, our "Regulation Best Interest Brokerage Disclosures," also available at that website. With respect to both broker-dealer and advisory services, you will pay fees and costs 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. Certain investments, such as mutual funds, ETFs, UITs, annuities, and 529 College Savings Plans ("529 Plans"), bear ongoing costs that you pay indirectly because they are factored into the cost of the investment and are in addition to our brokerage and advisory fees. In addition, these types of investments may charge surrender or early termination fees if you sell your investments early. For more information regarding these expenses, please refer to the prospectus or offering documents for your investment.