

## 2019 ANNUAL DISCLOSURES FOR ROBOTTI SECURITIES, LLC

### **PRIVACY POLICY / CUSTOMER and CONSUMER IDENTIFICATION PROGRAM (CIP)**

At Robotti Securities, LLC ("Robotti Broker"), we value our customers' trust and recognize the importance of protecting your privacy. U.S. broker dealers are required by securities laws to obtain certain personal information to open and maintain a brokerage account with us, and to process transactions.

- We collect information about you from: (1) you; (2) our experience gained from transactions with you; (3) independent reporting agencies when we conduct a background check to verify your identity (which may include information on any bankruptcies); and (4) public sources.
- We do not disclose, sell or share any nonpublic personal information about our customers, former customers or consumers to anyone (affiliated or not), except for our everyday business purposes such as to process your transactions, maintain your account, respond to court orders and legal investigations, or report to credit bureaus, or as permitted by law.
- We maintain physical, electronic, and procedural safeguards to protect and dispose of your nonpublic, personal information and restrict access to nonpublic, personal information about you to those employees and agents who need to know that information to provide products or services to you.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person, or beneficial owner of a "legal entity customer," that opens an account. When the account is opened, we will ask for names, addresses, dates of birth, and other information that will allow us to identify you.

### **BEST EXECUTION, ORDER ROUTING DISCLOSURE AND LIQUIDITY PAYMENTS AND FEES**

Consistent with the overriding principle of best execution, we route orders for listed and over-the-counter equity securities and options to market centers, including exchanges, securities dealers who make markets over-the-counter and alternative trading systems such as electronic communications networks. We take a number of factors into consideration in determining where to route customer orders including, the speed and quality of execution, price improvement relative to the national best bid and offer in any one market center, automatic execution guarantees, the availability of efficient and reliable order handling capability, the liquidity offered by the market center, the level of service provided, and costs. Certain venues pay users such as Robotti Broker a per share cash amount for orders that add liquidity to the market and charge Robotti Broker a per share fee for orders that reduce market liquidity. Such payments might be considered payments for order flow. Our order execution and order routing information, including liquidity payments and fees, are available in our SEC Rule 605 Order Execution and Rule 606 Order Routing reports in the Disclosures and Notices section of our website ([www.robotti.com](http://www.robotti.com)). You may also call (212) 986-4800 to request a copy.

### **12b-1 FEES and FREE CREDIT BALANCES, BORROWING COSTS**

Robotti Broker may receive compensation from third parties relating to your account. These payments are made by third parties and are not made from your account. Mutual fund companies in which you may be invested may pay a trailing 12b-1 (distribution) fee or a mutual fund sales charge (or load) to Robotti Broker. Robotti Broker may receive or share in compensation from Pershing LLC ("Pershing"), our Clearing Broker, related to interest on free credit balances in your account, charges for securities borrowed by you, margin interest paid by you to Pershing and other Pershing charges.

### **ANNUAL MARGIN DISCLOSURE STATEMENT**

Securities purchased on margin are Robotti Broker's and Pershing's collateral for the loan to you. If the securities in your account declines in value, so does the value of the collateral supporting your loan, and, as a result, Robotti Broker or Pershing can take action, such as require you to provide additional funds to Pershing to avoid the forced sale of those securities or other securities or assets in your account (issue a margin call) and/or sell securities or other assets in any of your accounts held with Pershing in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account.
- Robotti Broker or Pershing can force the sale of securities or other assets in your account. You also will be responsible for any shortfall in the account after such a sale.
- Robotti Broker or Pershing can sell your securities or other assets without contacting you if the equity in your account falls below Pershing's maintenance margin requirements or Robotti Broker's higher "house" requirements.

- You are not entitled to choose which securities or other assets in your account are liquidated to meet a margin call.
- Robotti Broker or Pershing can increase the amount of equity you are required to keep in the margin account or reduce the amount of time you will have to satisfy any margin call at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.
- Customers borrowing securities will incur charges.
- Pershing has the right to collect any debit balance or other obligations owed by assigning such rights to Robotti Broker, so that Robotti Broker may collect any such debit balance or other obligations independently or jointly with Pershing, or enforce any other rights granted to Pershing.

### **SUMMARY OF FEES**

- Minimum Brokerage Commission - \$25
- ACAT - Account Transfer Out Fee - \$50
- ACAT – Account Transfer in Fee - \$0
- Returned Check/NSF Fee - \$20
- Wire Fee - \$10
- Minimum Option Trade Fee - \$25 plus \$1 per contract
- Annual Account Inactivity Fee - \$0
- Legal Transfer - \$40
- Minimum Fixed Income Trade Fee - \$25
- IRA, Roth IRA, Coverdell Education Savings Accounts, IRS Model 5305 SEP Annual Fee - \$43.50
- SARSEP/Prototype SEP, SIMPLE IRA, and 403(b)(7) Custodial Accounts Annual Fee - \$58.50
- Individual(k), Simplified 401(k), Simplified Profit Sharing and Simplified Money Purchase plan document type - \$75
- Flexible 401(k), Flexible Profit Sharing and Flexible Money Purchase plan document type - \$125
- IRA Account Termination Fee - \$75
- IRA Alternative Investment Custodial Fee – \$100 to \$500
- Reorg Fee - \$0 Mandatory, \$0 Voluntary
- Physical (legal) certificate – as charged by Transfer Agent
- Dividend Reinvestment Plan Fee - \$1 for each buy of additional/fractional share(s)
- Service Charge per Trade - \$1
- Tax Lot Information through Online Access - \$24 per year
- Your clearing broker calculates and charges margin rates based on the Federal Fund Target Rate.
- There may be additional fees and charges for other transactions, such as foreign transactions and settlements, which may be billed to the client separately by Robotti Broker.

Customers are advised to read the Disclosure Statement and Margin Disclosure Statement provided by your clearing firm, as applicable.

### **FINRA PUBLIC DISCLOSURE**

FINRA runs a public disclosure program known as BrokerCheck that provides information about brokerage firms and their registered persons. The FINRA Public Disclosure hotline number is (800) 289-9999. The FINRA regulation web site address is [www.finra.org](http://www.finra.org). An investor brochure that includes information describing the public disclosure program may be obtained from FINRA.

### **SECURITIES INVESTOR PROTECTION CORPORATION DISCLOSURE**

Robotti Broker is a member of SIPC, which protects securities customers of its members up to \$500,000 (limited to \$250,000 for claims for cash) against certain types of losses. Go to [www.sipc.org](http://www.sipc.org) to find out more about SIPC or call (212) 986-4800 to request a copy of the SIPC brochure from Robotti Broker or call SIPC directly at (202) 371-8300.

### **REPORTING of ERRORS, INQUIRIES/COMPLAINTS and/or DISCREPANCIES**

If you have any questions or notice any errors or discrepancies on your account statements, would like to make a trade inquiry, or would like to file a complaint, please either e-mail [compliance@robotti.com](mailto:compliance@robotti.com) or call (212) 986-4800 and ask to speak to the Chief Compliance Officer; alternatively, you may write to the Compliance Department at Robotti Securities, LLC, Attn: Compliance Department, 60 East 42<sup>nd</sup> Street, Suite 3100, New York, NY 10165.

### **AFFILIATED REGISTERED INVESTMENT ADVISER**

Robotti Broker, a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission (“SEC”) and member of Financial Industry Regulatory Authority (“FINRA”), and Robotti & Company Advisors, LLC (“Robotti Adviser”), an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended, are sister companies, each owned by Robotti & Company, Incorporated. In addition to direct Robotti Broker clients, Robotti Broker executes certain trades through for managed account clients of Robotti Adviser. Also, private funds indirectly controlled by each of a principal of Robotti Adviser and an employee of both Robotti Broker and Robotti Adviser execute certain trades through Robotti Broker.

### **Robotti Adviser Securities Research**

Robotti Broker obtains some of its securities research from Robotti Adviser. Accordingly, when Robotti Broker purchases or sells a security for a discretionary or non-discretionary client based upon such securities research, purchases or sales of the same security or a related security (e.g., options on the same security or other securities of the same or a related issuer) may have previously been made or may be in the process of being made at such time for a client of Robotti Adviser or another discretionary or a non-discretionary Robotti Broker client. Securities research that has previously been acted upon may be less valuable than research that has not been acted upon because a portion or all of the opportunity for price movement of the relevant security may have already taken place.

### **Conflicts of Interest Procedures**

When a particular investment transaction creates the potential for a conflict of interest, the representative of Robotti Broker will execute the transaction for the Robotti Broker discretionary client only if he or she has a reasonable belief that the proposed transaction is suitable and appropriate for the client.

Securities transactions, particularly in small cap and illiquid securities, may take minutes, hours or possibly longer to complete (execute). During normal trading hours during a single trading day, when orders with respect to the same security are being worked on simultaneously by Robotti Broker for a Robotti Broker discretionary client or other Robotti Broker client and for a Robotti Adviser client, an average-weighted price mechanism will be used. Additionally, when orders with respect to the same security are being worked by Robotti Broker for a Robotti Broker discretionary client or other Robotti Broker client, on the one hand, and for a supervised person of Robotti Broker or Robotti Adviser, on the other hand, the supervised person will receive a price that is not more favorable than the least favorable price received by a client account during the trading day.

### **BUSINESS CONTINUITY PLAN (“BCP”)**

Our BCP Disclosure Statement is available on the Disclosures and Notices section of our website (<https://securities.robotti.com/disclaimer/>) and is subject to change from time to time. Any updates will be posted in such section of our website. You may also obtain a copy of the most current BCP Disclosure Statement by calling the Robotti Broker Compliance Department at (212) 986-4800, e-mailing [compliance@robotti.com](mailto:compliance@robotti.com), or writing Robotti Securities, LLC, Attn: Compliance Department, 60 East 42<sup>nd</sup> Street, Suite 3100 New York, NY 10165.