

## Form Customer Relationship Summary – September 2022

### **Item 1. Introduction**

Pinnacle Associates, Ltd. (“Pinnacle”) is an investment adviser registered with the Securities and Exchange Commission (SEC). **Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/crs](http://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.**

### **Item 2. Relationships and Services**

#### *What investment services and advice can you provide me?*

As an SEC registered investment adviser, Pinnacle offers its investment advisory services to institutional and non-institutional clients for an asset-based fee based on the market value of investments in each client’s account. Our institutional strategies are primarily comprised of individual equity securities (“stocks”). In addition to institutional services, we also provide investment management and wealth management services to non-institutional, individual investors and their families, trusts, businesses and related entities. These wealth management services may include investment management, financial planning, retirement planning, educational funding, charitable gifting and other related services. In these types of wealth management relationships, the investment process begins with identifying your investment objectives and risk tolerance, and then determining an appropriate strategy and allocation among the traditional asset classes (e.g., stocks, fixed income, exchange-traded funds (“ETFs”), etc.). All accounts are managed on a discretionary basis, which means we do not need to call you when trading in your account. All clients sign an investment advisory agreement giving us this authority. Accounts are monitored in various ways no less than monthly. Pinnacle seeks clients with an account minimum of \$1,000,000. If you need more information about our advisory services, please review Item 4 of our Firm Brochure which is available upon request.

### **Item 3. Fees, Costs, Conflicts, and Standard of Conduct**

#### *What fees will I pay?*

You will be charged an ongoing fee that is calculated and collected on a quarterly basis based on the value of the investments in your account. The fee generally ranges between 50 and 150 basis points depending upon the type of client, investment strategy selected, type of securities in your account, and the scope and complexity of the services to be provided. Certain legacy clients may be subject to a different fee schedule. Our fees will generally be automatically deducted from your account.

We do not maintain physical possession of your cash or investment assets. Rather, an independent custodian holds your cash and investment assets. For certain clients, we make trades for your accounts through these custodians as well. For other clients, trades are placed through various broker-dealers. Custodians and broker-dealers can charge you a transaction fee when we buy or sell an investment for you. You may also be charged other fees such as reporting charges, margin costs, charges directly by a mutual fund or ETF in your account (e.g., fund management fees and other fund expenses), deferred sales charges, wire transfer and electronic fund fees, and other standard fees and taxes associated with maintaining a brokerage account. These fees are in addition to our advisory fee. Additional information about our fees is located in Item 5 of our Firm Brochure, which is available upon request.

**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.**

*What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

**When we act as your investment adviser**, we are required to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means:

We may receive from a broker-dealer or custodian, without cost, support services which allows us to better monitor client accounts maintained at that institution. Specifically, we may receive the following benefits: receipt of duplicate client confirmations and statements; access to a trading desk that exclusively services its institutional partners; access to block trading which provides the ability to aggregate trades for client accounts; access to management of securities issuers and industry experts; investment-related research, pricing information and market data; discounts on compliance, marketing, technology, consulting, and practice management services; and discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events. We may receive these support services without cost because we provide investment advisory services to clients that maintain assets at that broker-dealer or custodian. These support services may benefit Pinnacle, but not all of our clients directly, and may influence our choice of custodian or broker-dealer over another firm that does not furnish similar benefits. In fulfilling our duties to clients, however, we endeavor at all times to put the interests of our clients first. Additional information about our conflicts of interest can be found in our Firm Brochure, which is available online upon request.

*How do your financial professionals make money?*

The firm's revenue primarily comes from the advisory fees we charge to our clients. Our financial professionals are employees of the firm, and are paid compensation which is generated from these advisory fees. Our financial professionals are compensated either by a fixed salary and/or a quarterly payout based on the accounts each professional manages.

#### **Item 4. Disciplinary History**

*Do you or your financial professionals have legal or disciplinary history?*

Yes. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research you and your financial professionals.

#### **Item 5. Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #110631. You may also contact our firm at (212) 652-3200 and talk to any one of our investment professionals or support staff.

**CONVERSATION STARTERS: Ask your financial professional:**

- **Given my financial situation, should I choose an investment advisory service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**
- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**
- **How might your conflicts of interest affect me, and how will you address them?**
- **As a financial professional, do you have any disciplinary history? For what type of conduct?**
- **Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**