



## Form CRS: Customer Relationship Summary

June 30, 2020

### ***Introduction***

Mirae Asset Wealth Management (USA) Inc. is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and a California-registered investment adviser. Member FINRA/SIPC. 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 [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment adviser, and investing.

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

We offer investment advisory and brokerage services to retail investors, which includes an initial consultation with you to understand your investment objectives, risk tolerance, time horizon, and other pertinent information about your financial situation. We use this information to determine the services or products that may be in your best interest. These services could include portfolio management, financial planning, assistance in selecting a sub-adviser, or recommendations of various types of alternative investments. ***We do not offer non-discretionary, customer-directed brokerage accounts (e.g., traditional commission-based accounts).*** We also offer insurance services to residents of California through our dba name, MAWM Insurance Solutions. CA Insurance No. 0N08558.

***If you are an investment advisory client of our firm as most of our clients are, we will monitor your accounts continuously and meet with you periodically, but generally not less than once a year, to ensure that the services and/or products offered through us remain in your best interest.*** This is a standard practice that is offered to all of our clients with whom we have an investment advisory relationship.

***When you sign an investment advisory agreement with us, you grant us and any sub-adviser as the case may be, discretionary trading authorization to manage your portfolio, including the appointment of a sub-adviser.*** You will be notified in advance of the replacement of any sub-advisers. Certain changes to your investment advisory agreement such as the addition of new accounts or investments, or changes to your fees will always require your prior consent. You have the right to terminate your investment advisory agreement at any time with written notice to us.

***Recommendations of investments that are not included as part of the investment advisory agreement or where we earn a commission, are considered to be brokerage in nature and non-discretionary. This means that you retain the ultimate decision regarding the purchase and/or sale of the investment.***

You should be aware that we perform due diligence and maintain a curated list of approved products that includes proprietary products in addition to non-proprietary products. Proprietary products are those products that are issued, sponsored, or managed by us or our related parties. We attempt to diversify our product menu to increase investment options for clients, but many products that may be available through other brokers or advisers may not be available through us. You should also be aware that recommendations of proprietary products represent a significant conflict of interest that is more fully described in the offering documents and other disclosures. While we stand to materially benefit from the sale of proprietary products, your Wealth Manager is required to only recommend investments that are in your best interest and we have implemented procedures to be reasonably assured of that expectation.

We generally require a minimum account balance of \$25,000 for asset management services. However, our minimum account balance requirement is negotiable on a case-by-case basis upon firm approval, and many of our clients maintain higher or lower balances. Ultimately, the minimum investment amount that we will accept will be subject to your Wealth Manager's and/or any sub-adviser's, as the case may be, ability to manage your portfolio appropriately.

For **additional information**, please see Items 4, 7, and 13 of the Form ADV, Part 2A, your investment advisory agreement, and/or any other applicable disclosure documents provided to you.

**Conversation Starters. Ask your Wealth Manager:**

- *Given my financial situation, should I choose an investment advisory, brokerage, or both types of services? 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?*

**What fees will I pay?**

Our advisory fee is charged quarterly in advance and is based on a percentage of the aggregate value of your investments with us (e.g., **asset-based fee**). Some legacy clients' advisory fee may be charged in arrears, based on the average daily balance of the account during the quarter. We maintain a standard fee schedule, but our fees are generally negotiable between you and your Wealth Manager. You will receive an invoice from us detailing the accounts that are included in the fee. If your account is charged in advance, intra-quarter deposits or withdrawals of funds and/or securities in excess of \$10,000 are charged a prorated fee. If you terminate your investment advisory agreement with us, we will credit your account an amount that is proportional to the number of days remaining in the quarter.

Accounts receiving management services from a sub-adviser will also be subject to the sub-adviser's advisory fee. Sub-advisers have their own billing policies and procedures which may differ from ours. The manner in which the sub-adviser is paid is based on its agreement with us. However, we generally attempt to structure our arrangements with sub-advisers such that their fees are separate and distinct from ours in an attempt to avoid conflicts of interest if possible. You will receive a copy of the sub-adviser's Form ADV Part 2A and 2B, as applicable, and other disclosure documents which will explain the sub-adviser's fees and how they are calculated.

You should be aware that we offer both wrap and non-wrap programs. Asset-based fees associated with a wrap fee program will include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. Asset-based fees also creates an incentive to encourage you to increase the assets in your account. Notwithstanding this inherent conflict of interest, asset-based fees also works to align our mutual interests since as we work to grow your assets, we stand to earn more compensation.

**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.**

In non-wrap programs that we offer, there are additional transaction-related and account maintenance-related fees that may apply to your account. Accounts may invest in mutual funds that make a distribution payment referred to as a 12b-1 fee. The custodian retains this fee and we do not receive any portion. Your account will be subject to other fees charged by the custodian. Electronic funds and wire transfer fees, transfer taxes, account maintenance fees, margin fees, transaction charges, exchange fees, and odd lot differentials are examples of fees that may be charged by the custodian. These fees are not included in your investment advisory fee that you pay us, and we do

not receive any portion of those fees.

Certain mutual funds may impose short-term trading restrictions that could impact our ability to rebalance, liquidate, deposit or conduct other transactions that may otherwise be appropriate or requested by you. Certain mutual funds also may impose redemption fees that are additional costs to the client to discourage short-term trading. Please review each applicable mutual fund prospectus or disclosure document for policies regarding short-term trading and redemption fees. You should also be aware that contingent deferred sales charges (“CDSC”) may be imposed on the liquidation of mutual funds that have been transferred into your account. As a result, you may be subject to taxes when we liquidate mutual funds that are subject to a CDSC. Please consult with your Wealth Manager and a tax professional before transferring any securities in-kind into the account.

Any direct participation program or alternative investment that are recommended to you in our capacity as a broker-dealer will generally result in us receiving a commission payment from the product sponsor. These commission payments are ultimately paid from the principal amount invested. In certain circumstances, we may also receive a marketing reallowance fee from the product sponsor as compensation for our marketing and client maintenance activities. In cases where such investments are recommended pursuant to an advisory relationship with you, we will not earn any commission or marketing reallowance compensation and such investments shall be subject to the fee schedule described in your investment advisory agreement unless otherwise specified. In calculating our advisory fee on these assets, we rely on asset valuations provided directly by the fund or offering, or the amount invested if no valuations are available.

For **additional information**, please see Item 5 of the Form ADV, Part 2A, your investment advisory agreement, and/or any other disclosure documents provided to you.

***Conversation Starters. Ask your Wealth Manager:***

- *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?*

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

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- **Proprietary products:** We or our related parties stand to economically benefit from the sale of proprietary products. Therefore, we have an incentive to recommend these investments to you. Recommending proprietary products may also represent or be interpreted as a principal transaction for our firm which requires your consent.
- **Third-party payments:** Third-party product sponsors may pay us commissions or fees in connection with the sale of certain investments. This is a conflict of interest that is inherent in our business.
- **Revenue sharing:** A manager or sponsor of an investment or another intermediary may share with us certain revenue it earns on those investments. This revenue is typically paid to broker-dealers or investment advisers to offset the costs associated with marketing and maintaining the client relationship.

For **additional information**, please see Items 5, 10, and 11 of the Form ADV, Part 2A, your investment advisory agreement, and/or any other disclosure document provided to you.

***Conversation Starters. Ask your Wealth Manager:***

*How might your conflicts of interest affect me, and how will you address them?*

### ***How do your financial professionals make money?***

Our Wealth Managers are paid a salary and a discretionary bonus that are negotiated upon affiliation with our firm. In addition, we or our Wealth Managers may also from time-to-time, receive economic benefits from persons or entities other than clients in connection with the advisory services we provide. Such benefits may be provided by product sponsors or other third-party service providers in the normal course of business and may include items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational or training events or marketing or advertising initiatives. We receive these benefits whether we recommend any investment to you or not.

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

Yes. In September 2018, our firm entered in a settlement agreement with the State of California for failure to maintain certain books and records as required by California law. As part of the settlement, we agreed to correct all issues identified in the examination, engage additional resources, and pay an administrative fine of \$40,000.

None of our Wealth Managers have any legal or disciplinary history. For more information about our firm and our Wealth Managers, go to [Investor.gov/CRS](https://investor.gov/CRS) for a *free* and simple *search* tool.

#### ***Conversation Starters. Ask your Wealth Manager:***

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### ***Additional Information***

***For additional information about our investment advisory services, please refer to our Form ADV, Part 2A brochure.*** If you would like additional, up-to-date information or a copy of this disclosure, please call (213) 262-3800.

#### ***Conversation Starters. Ask your Wealth Manager:***

- *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?*