

# Customer Relationship Summary

Brokerage and investment advisory services and fees differ and it is important for you, the retail investor, to understand the differences. Free and simple tools, for you to research firms and financial professionals, are available to you at [Investor.gov/ CRS](https://investor.gov/), where you may also find educational materials about broker-dealers, investment advisers, and investing. Our accounts and services fall into two categories. Below you will find descriptions of each, so you can decide which service is right for you.

We offer services through affiliated firms; Allegheny Investments, LTD and Allegheny Financial Group, LTD, collectively “Allegheny” or “we”.

[Allegheny Investments, LTD \(“AI”\)](#) is registered with the [U.S. Securities and Exchange Commission \(“SEC”\)](#) as a broker-dealer and an investment adviser. In addition, AI is a member of the [Financial Industry Regulatory Authority \(“FINRA”\)](#) and the [Securities Investor Protection Corporation \(“SIPC”\)](#).

[Allegheny Financial Group, LTD \(“AFG”\)](#) is registered with the [SEC](#) as an investment adviser.

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

- AI offers both brokerage and investment advisory services to retail investors.
- AFG offers investment advisory services to retail investors.

### Brokerage Accounts and Services

**Principal Services** - For brokerage accounts, AI buys and sells securities for retail investors. AI can offer investment recommendations, or you can select investments on your own.

**Investment Products** - Investment products available to you through the broker-dealer include: individual stocks and bonds, exchange traded funds, college savings plans, mutual funds, money market mutual funds, cash positions, life insurance and annuity products, and private funds.

**Monitoring Services** - AI does not provide ongoing monitoring of your investments as part of our standard brokerage services.

**Investment Authority** - AI will recommend securities for your consideration. AI will also accept orders that you direct us to place in your account(s). AI does not have the authority to place trades in your account(s) without your consent. You make the ultimate decision regarding the purchase or sale of investments.

AI acts as your agent when placing transactions in your account, which means that AI does not purchase securities from you for our own account and we do not sell securities to you from our own account.

### Advisory Accounts and Services

**Principal Services** - For investment advisory accounts, we offer the following services for retail investors: asset management, portfolio management, financial planning, and wrap fee programs. Additionally, AFG provides investment management to private funds in which certain high net worth retail investors are eligible to invest.

**Investment Products** - Investment products available to you through the investment adviser include: individual stocks and bonds, exchange traded funds, college savings plans, mutual funds, money market mutual funds, cash positions, life insurance and annuity products, and private funds.

**Monitoring Services** - For advisory clients, we provide ongoing monitoring of your investments as part of our standard services. Monitoring services are conducted continuously. See Item 13 of Form ADV Part 2A for both AI and AFG for more details about our monitoring services.

**Investment Authority** – Allegheny primarily provides investment management services on a discretionary basis as outlined in your management agreement. This means that you authorize us to buy and sell the securities in your account without asking you in advance. Retail investors have the right to limit the discretionary authority on their account. Allegheny also provides investment management services on a non-discretionary basis; this means that you make the ultimate decision regarding the buy or sell of securities in your account. Allegheny provides this service as requested by the client.

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## Brokerage Accounts and Services

**Investment Limitations** – The menu of products offered by AI includes many options for clients, however it is limited by the products that our clearing firm offers as well as mutual fund products for which AI has a selling agreement.

**Account Minimums and Other Requirements** Allegheny sets no minimum account limit for opening or maintaining an account.

*For additional information about our principal services, please refer to our Best Interest Disclosure Brochure<sup>1</sup>.*

<sup>1</sup>[https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/Allegheny-Regulation-BI-Compensation-and-Fee-Disclosure-Documents\\_March-2023.pdf](https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/Allegheny-Regulation-BI-Compensation-and-Fee-Disclosure-Documents_March-2023.pdf)

<sup>2</sup><https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/2023-AFG-ADV-Part-2-FINAL-updated-2023-6-9.pdf>

<sup>3</sup><https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/2023-AI-Part-2-FINAL-updated-2023-6-9.pdf>

## Advisory Accounts and Services

**Investment Limitations** - We do not limit our menu of products or types of investments.

### Account Minimums and Other Requirements

Allegheny sets no minimum for opening or maintaining an account.

*For additional information about our principal services, please see our ADV and Wrap brochure for Allegheny Financial Group<sup>2</sup> and see our ADV and Wrap brochure for Allegheny Investments<sup>3</sup>.*

When deciding which account type is appropriate for you, you should consider your need for account monitoring, your expected trading frequency, and your investment strategy. If you expect to trade infrequently, do not require ongoing monitoring or pursue a “buy and hold” strategy, an advisory account which has a bundled fee for services or “wrap fee,” may cost you more than paying for the program’s services separately. In that case you may want to consider a brokerage relationship rather than an advisory relationship. Alternatively, frequent trading or “active investing” in a brokerage relationship can cost you more in trading fees than paying a single bundled fee in our advisory account wrap fee program. More details on the wrap program can be found in our wrap fee program brochure.

### Questions you should ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose 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?

### Brokerage Fees

**Principal Fees and Costs** - Retail clients with brokerage accounts pay a transaction fee (or “commission”) each time an investment product is purchased or sold in their brokerage account.

The more transactions in your account, the more commissions are earned by the Firm and the Financial Professional. As a result, there is an incentive to encourage you to trade often. If you purchase shares of a mutual fund, you will be subject to one-time sales charges (“Sales Loads”) and annual service fees (“12b-1 Fees”), which are paid to the Financial Professional. Sales Loads and 12b-1 Fees vary depending on the share class selected. As a result, there is an incentive to encourage you to purchase a shareclass with higher Sales Loads and 12b-1 fees. Investing in mutual funds and variable annuity products will result in one or more of the following: redemption fees, exchange fees, account fees, purchase fees (which are different than sales loads), and management fees.

### Advisory Fees

**Principal Fees and Costs** - Retail clients with investment advisory accounts pay fees based on the type of services they choose. Allegheny operates a wrap program, which means you will pay us an asset-based fee which will include transaction costs, some administrative costs and certain custodial fees assessed by the firm who custodies our assets. Therefore, the fees for the wrap program include additional fees which are not included in a typical asset-based advisory fee. The asset-based fee is generally charged on a semi-annual basis. The fee is a percentage of the value of your account. Both AI and AFG have separate maximum tiered fee structures found in their respective ADV Part 2As. However, your specific fee will be detailed in your management agreement based on your advisory services. Since the fee is charged based on all investment advisory services we provide under your agreement, you pay the fee even if you do not buy or sell investments. Since we charge

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## Brokerage Fees

## Advisory Fees

- an asset-based fee, the more assets there are in a retail
- investor's advisory account, the more an investor will pay in
- fees, and the firm therefore has an incentive to encourage an
- investor to increase the assets in the account.
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- We charge you an hourly or fixed fee for separate or
- additional services such as financial planning.
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- We charge performance-based fees to clients investing in
- certain private funds.

## Other Fees and Costs

Brokerage and advisory accounts are also subject to other fees such as custodian fees, confirm fees, product-level fees, account maintenance fees and cash management fees.

## Additional Information

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.

*For detailed information about brokerage fees and costs, please refer to our Best Interest Disclosure Brochure, found at [https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/Allegheny-Regulation-BI-Compensation-and-Fee-Disclosure-Document\\_March-2023.pdf](https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/Allegheny-Regulation-BI-Compensation-and-Fee-Disclosure-Document_March-2023.pdf). For additional information about our principal services, please see our ADV and Wrap brochure for Allegheny Financial Group<sup>1</sup> and see our ADV and Wrap brochure for Allegheny Investments<sup>2</sup>.*

<sup>1</sup><https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/2023-AFG-ADV-Part-2-FINAL-updated-2023-6-9.pdf>

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### Questions you should ask your financial professional:

- 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?**

## Standard of Conduct

*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

Supervised persons of AFG and affiliated persons advise private funds. Private funds are only offered pursuant to the appropriate offering documents and only available to certain high-net worth clients. A conflict exists as certain AFG advisors and other related entities are compensated for serving as General Partner and Advisors to the funds, creating incentive to recommend the investment.

## Third-Party Payments

AI compensates certain registered representatives for referring clients. Referral arrangements will not result in any additional fees to the client; however, a conflict exists where the registered representative is incentivized to refer clients.

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### Revenue Sharing

If you purchase shares of a mutual fund through a brokerage relationship with AI, you will be subject to a Sales Load and 12b-1 Fees, which are paid to your financial professional. These fees vary depending on the share class selected. As a result, AI registered representatives are incentivized to recommend mutual fund share classes with higher Sales Loads and 12b-1 fees.

**For more detailed information about ways we make money and conflicts of interest please see the firm's Brokerage Compensation Information and Related Conflicts of Interest<sup>1</sup>, our ADV and Wrap brochure for Allegheny Financial Group<sup>2</sup> and our ADV and Wrap brochure for Allegheny Investments<sup>3</sup>.**

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<sup>3</sup><https://back.alleghenyfinancial.com/wp-content/uploads/2023/06/2023-AI-Part-2-FINAL-updated-2023-6-9.pdf>

### Questions you should ask your financial professional:

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

## How do your financial professionals make money?

### Brokerage Compensation

Registered representatives ("RR") of AI are either employees of AFG, or are independent contractors of AI. RRs receive a portion of the transaction fees you pay. As a result, your RR is incentivized to encourage you to trade more often or purchase investment products that pay a commission.

Most of AI's RRs are also registered as an investment adviser representative with AI or with our affiliate, AFG. AI is also a licensed insurance broker. Many of our RRs are licensed to sell life and health insurance through AI. These individuals earn insurance commissions in addition to the compensation they receive through AI. Therefore, brokers are incentivized to recommend the purchase of life and health insurance.

### Advisor Compensation

AI and AFG investment adviser representatives ("IAR") receive a portion of the advisory fees you pay. As a result, your IAR is incentivized to encourage you to increase the amount of assets in your account(s).

All of the AI and AFG IARs are also registered representatives with AI. These individuals earn brokerage commissions in addition to the compensation they receive as an IAR.

## Do any of your professionals have legal or disciplinary history?

Yes, our firms and one or more of our financial professionals have a legal or disciplinary history. Please visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and our financial professionals.

### Questions you should ask your financial professional:

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

## Additional Information

You may find additional information about our brokerage services in our Best Interest Disclosure Brochure and our Form ADV Part 2As found on our website at <https://www.alleghenyfinancial.com/compliance>. To request a copy of the most current Relationship Summary, you can contact us via email at [compliance@alleghenyfinancial.com](mailto:compliance@alleghenyfinancial.com), or by phone at (412) 367-3880 or 1-800-899-3880.

### Questions you should ask your financial professional:

- 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?