

Form CRS Relationship Summary – November 25, 2020

Mesirow Financial Investment Management, Inc. (MFIM) is registered with the Securities and Exchange Commission as an investment adviser. Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the 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 advisers, and investing.

Q What investment services and advice can you provide me?

We offer investment advisory services to retail and institutional investors. We provide financial planning services, in which we provide advice and recommendations regarding your personal investment goals and objectives, personal balance sheet, tax planning, risk management, retirement, education savings, cash flow and investment planning. In financial planning services, we do not monitor your investments and you make the ultimate decision regarding the purchase or sale of investments. We also provide portfolio management services that we offer on a discretionary or non-discretionary basis according to the authority you provide in an investment advisory agreement with us. When you grant us discretionary authority, you provide us with authority to determine the investments to buy and sell in your account on an ongoing basis. You may impose reasonable restrictions on our discretionary authority, which must be provided to us in writing and accepted by us. If you do not provide us with discretion, then we will make recommendations and you will have the final decision regarding whether we purchase or sell investments on your behalf. As part of the portfolio management services, we will continuously monitor your investments and provide advice. Our services also include the recommendation or selection of other investment advisers. We require a minimum initial and ongoing account size for portfolio management services, although all terms and agreements relating to management of your account are negotiable. Our investment advice is not limited to proprietary products or to a limited menu of products or types of investments.

You are encouraged to ask us questions including the following to help you better understand our services: *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?

Please refer to our Form ADV, Part 2A Brochure for more detailed information about our services and contact information for your financial advisor's supervisor.

Q What fees will I pay?

We charge a percentage of assets under management for portfolio management services. These fees are assessed on a quarterly basis, in advance. Some third-party advisors that we utilize will bill you in arrears. Sub-advisors and third-party investment managers generally charge separate fees in addition to our fees. You should be aware that the more assets there are in your account, the more you will pay in fees.

In addition to our fees, you will incur additional fees and costs related to the investments in your account, such as custodian fees, account maintenance fees, transaction costs, surrender charges, wire transfer and electronic fund fees, internal management fees of mutual funds and variable annuities, and other product-related fees such as redemption fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and cost 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. Please refer to our Form ADV, Part 2A Brochure for more detailed information about our fees and your investment costs.

Q 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 advisor, we must act in your best interest and not put our interest ahead of yours. This is referred to as our fiduciary duty to you. 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 are some examples to help you understand what this means.

We or our affiliates receive additional compensation when you purchase investments that we or our affiliates issue or sponsor. This is a conflict of interest because we have an incentive to recommend these investments to you rather than investments that we or our affiliates do not issue or sponsor.

We receive client referrals from third parties to whom we pay referral fees. This is a conflict of interest because we have an incentive to pay referral fees so that the third parties will refer clients to us that they otherwise might not refer to us.

We pay employees for referring retail investors to us. This is a conflict of interest because we have an incentive to pay referral fees so that the employees will refer retail investors to us that they might not otherwise refer to us.

We have an affiliated business that is a broker-dealer. This is a conflict of interest because our affiliated business receives additional compensation for providing brokerage services to you. We have an incentive to recommend and provide these brokerage services to you. While we do not recommend any specific clearing broker, we are incentivized to have you open your account at National Financial Services since the firm has a fee and revenue sharing relationship that does not exist with other custodians.

We are also a commodity trading advisor, have an affiliated business that is another investment adviser, and have an affiliated business that is a registered municipal advisor. We only offer these services to institutional investors; however, in the rare case that a natural person **could fall under both the retail and institutional** definition, this would present a conflict of interest because we would receive additional compensation for providing these services to you. We have an incentive to recommend and provide these other services to you.

We are fiduciaries to you. That means we are required to act in your best interest throughout our entire advisory relationship. Please refer to our Form ADV Part 2A Brochure for more detailed information about our conflicts of interest. You are encouraged to ask us questions including the following to help you

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

Q How do your financial professionals make money?

Our financial professionals are compensated, in part, based on the amount of investor assets they service and receive a portion of the advisory fees you pay us. This is a conflict of interest because our financial professionals have an incentive to encourage an investor to open accounts at the firm and increase the assets in your accounts. Financial professionals are also incentivized to take risk in a client portfolio and to recommend illiquid investments since an increase in assets in the account will increase fees and illiquid investments are difficult to transfer and can lock a financial professional into certain long-term fees.

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

Yes. Please visit Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional. Please call us if you have any questions. You are encouraged to ask us questions including the following to help you better understand our disciplinary history: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

Please refer to our Form ADV Part 2A Brochure for more information about our services. You may request updated information and a copy of our Relationship Summary by contacting us at 312.595.6512 or crs@mesirovfinancial.com

You are encouraged to ask us questions including the following to help you better understand our disciplinary history: *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?*

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Mesirow Financial, Inc. (MFI) is registered with the Securities and Exchange Commission as a broker-dealer and is a member FINRA/SIPC. Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the 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 advisers, and investing. You may obtain information about SIPC, including the SIPC brochure and which custodians are SIPC members, by contacting SIPC. For details, please see www.sipc.org.

Q What investment services and advice can you provide me?

We offer a variety of brokerage services to retail and institutional investors. It is important that you discuss your options with your financial professional to determine which type of services are most appropriate for you. Your financial professional is incentivized for you to open an account at MFI, or to move assets from a third-party account such as a 401k account into a MFI account, since he or she will earn compensation from the assets and activity in your account. We do not require a minimum account size or investment amount to establish a brokerage account. We do not limit our advice to proprietary products, or a limited menu of products or types of investments. The principal types of brokerage services we engage in include: broker or dealer making inter-dealer markets in corporate securities over-the-counter, retailing corporate equity securities over-the-counter, transacting in various fixed income and debt securities, mutual fund retailer, U.S. government securities broker, municipal securities dealer, broker or dealer selling variable life insurance or annuities, put and call broker or dealer of options, trading securities for own account, private placements of securities, and other underwriting various types of debt instruments. We have no discretionary authority over your account. You may select investments or MFI may recommend investments for your account, but the ultimate investment decision as to your investment strategy and purchase or sale of investments will be yours. In determining whether to adopt a recommendation, clients should analyze the expenses related to any recommendation. Unless expressly agreed we will not monitor your account and will not make implied hold recommendations.

To help you better understand the types of services we offer and the relationship we will have with you,

we would like to discuss the following questions with you:

Given my financial situation, should I choose a brokerage 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?

Q What fees will I pay?

We charge transaction-based fees, known as commissions, for brokerage services at the time any security is purchased or sold in your account. We make more when there are more trades in your account. That means we have an incentive to encourage you to trade often.

In addition, you will incur additional fees and costs related to the investments in your account, such as custodian fees, account maintenance fees, wire and electronic fund transfer fees, surrender charges, fees related to mutual funds and variable annuities, such as management fees and other product related fees, such as redemption fees. While MFI does not recommend a specific custodian, it has a relationship with NFS and Pershing which allows us to share in custodial fees revenue, fund revenue sharing and easily onboard clients to either platform. MFI marks up some custodial fees above the cost that NFS charges MFI.

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. To help you better understand the impact of fees and costs, we would like to discuss the following

questions with you: *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?*

You should carefully review our Fees & Costs Brochure to understand the specific fees and costs you will pay.

Q How else does your firm make money and what conflicts of interest do you have? How might your conflicts of interest affect me, and how will you address them? What are your legal obligations to me when providing recommendations?

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 services we provide you.

Proprietary Products: We buy and sell products offered by our own firm, which means we have an incentive to offer these investments over non-Mesirow investments because our firm and its affiliates make more money on our proprietary products. Specifically, MFI and its affiliates make money in a number of different ways when you purchase a proprietary product, including charging a transaction fee, investment management fee and other related fees.

Third Party Payments: As a broker-dealer, we receive 12b-1 fees from mutual funds, and fees from cash sweep programs. This means we have a financial incentive to offer those investments or programs to you. In addition, we receive a portion of the revenue that certain product sponsors and third-party money managers earn for investing client assets in their products/programs. This means we have an incentive to recommend those investment and money managers to you.

Principal Trading: When we buy or sell a security from our inventory, commonly referred to as a principal trade, we will add a mark-up or mark down fee on the transaction. This is an additional source of compensation for us.

Our investment personnel can invest in the same securities as clients. This creates a risk that employees may receive better pricing for personal benefit. We are a registered municipal advisor, have an affiliated commodity trading advisor, and have two affiliated investment advisers. This would present a

conflict of interest because we would receive additional compensation for providing these services to you. We have an incentive to recommend and provide these other services to you.

When we provide you with a recommendation as your broker-dealer we must act in your best interest and not put our interest ahead of yours. You should carefully review our Conflicts of Interest Brochure for more detailed information about our conflicts of interest.

Q How do your financial professionals make money?

Our financial professionals are licensed to provide brokerage services and receive different types of compensation when providing different types of services to you. When providing brokerage services, our financial professionals are paid by commissions based on the amount of securities clients buy and sell. This means your financial professional has an incentive to recommend certain products based on the compensation he or she will receive and encourage you to buy and sell assets. This also means that your advisor is incentivized to encourage you to move accounts and assets to MFI.

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

Yes. Please visit Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional. To help you better understand our disciplinary history, we would like to discuss the following question with you: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

You can find additional up-to-date information about our brokerage services and request a copy of our Relationship Summary by contacting us at 312.595.6512 or by email at crs@mesirofinancial.com

To help you better understand who to contact with any questions or complaints, we would like to discuss the following questions with you: *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?*