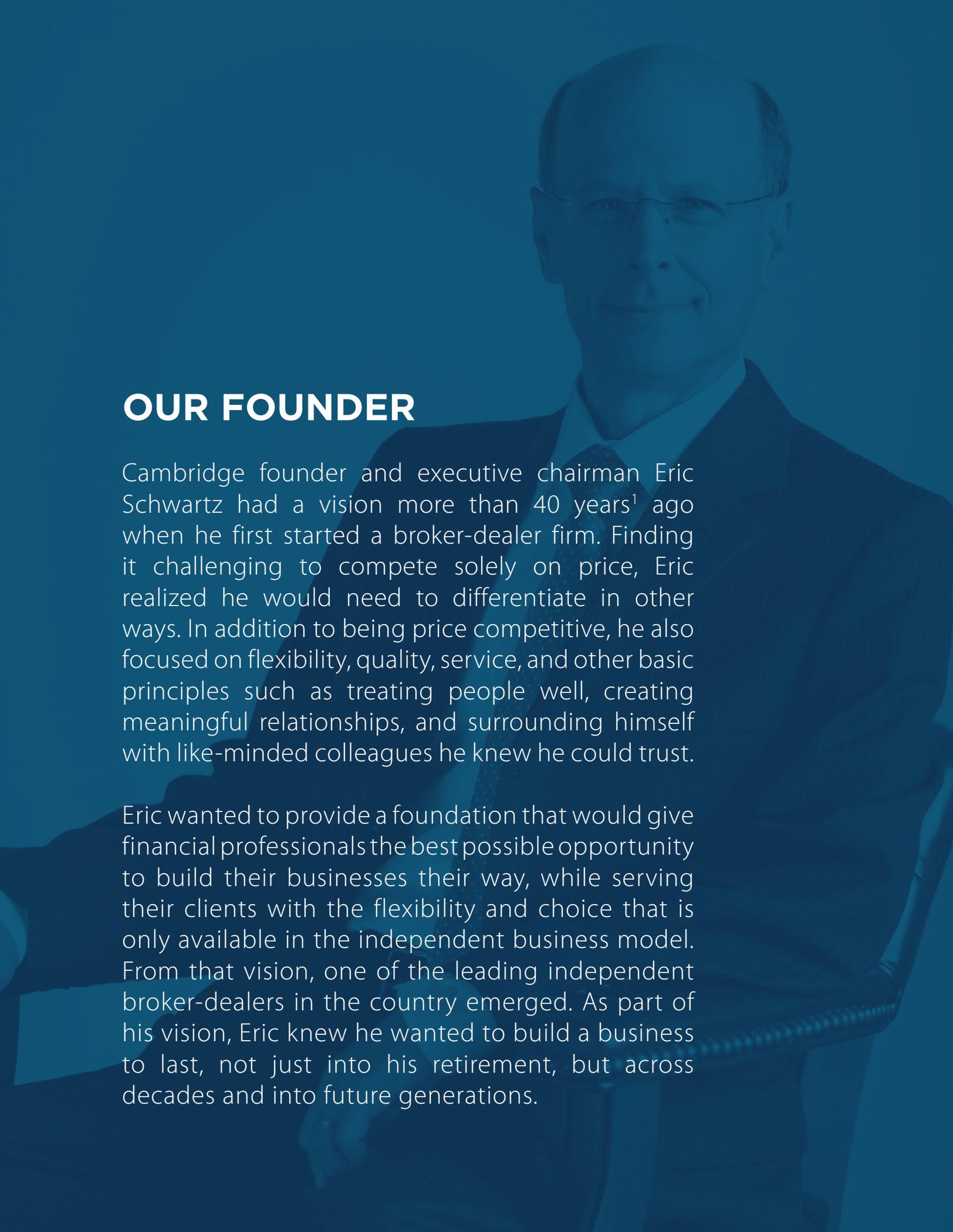




The Pillars of True Independence

Maintaining independence starts with a strong foundation. Our six-pillar structure represents a commitment to our independence, and yours.



OUR FOUNDER

Cambridge founder and executive chairman Eric Schwartz had a vision more than 40 years¹ ago when he first started a broker-dealer firm. Finding it challenging to compete solely on price, Eric realized he would need to differentiate in other ways. In addition to being price competitive, he also focused on flexibility, quality, service, and other basic principles such as treating people well, creating meaningful relationships, and surrounding himself with like-minded colleagues he knew he could trust.

Eric wanted to provide a foundation that would give financial professionals the best possible opportunity to build their businesses their way, while serving their clients with the flexibility and choice that is only available in the independent business model. From that vision, one of the leading independent broker-dealers in the country emerged. As part of his vision, Eric knew he wanted to build a business to last, not just into his retirement, but across decades and into future generations.



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Internal control, the way we've defined it, allows us to be on the same side of the table with financial professionals, and together, we are independent business owners managing our future success.

Eric Schwartz

Founder and Executive Chairman



Internal control

occurs when senior leadership has majority voting control to shape the firm's future without outside restriction.

Over the years, Eric, CEO Amy Webber, and the Cambridge executive leadership team have continually made succession planning a priority, working to ensure the firm's long-term plans align with our objectives and vision. As the marketplace evolves, so do our planning techniques, and we recognize the plan will always be a work in progress.

Many of the succession decisions we've made since Eric founded Cambridge in 1981¹ were specifically designed to preserve our status as an independent and internally controlled firm. For Cambridge, internal control occurs when senior leadership has majority voting control to shape the firm's future without outside restriction. While it may be appealing for founders of some companies and firms to cash out as they approach retirement, this often sacrifices internal control and thus impacts the firm's ability to put financial professionals and clients first. This is not part of Cambridge's succession plan and isn't of any interest to our collective senior leadership team.

Our succession plan includes the following six pillars:



LEADERSHIP STRUCTURE

Eric and Amy, along with the rest of our nine-person Executive Council, focus on developing a firm-wide culture that reflects our passion for independence. To help ensure stability while enabling growth, Cambridge created an Office of the CEO, which aligns business functions into three key areas of responsibility, each under the supervision of an appointed president. These divisions include Innovation and Experience (led by Colleen Bell), Growth and Development (led by Jeff Vivacqua), and Advocacy and Administration (led by Seth Miller). Through this executive structure, Cambridge is able to pursue progress while continuing to serve our financial professionals and their clients with an unwavering dedication to our purpose and core values. We've realized that to inspire urgency for financial professionals to formalize their own business continuity and succession plans, we had to lead by example and embrace firm-wide planning with the same enthusiasm.

FINANCIAL STRENGTH

After years of steady growth, the firm has grown from \$150 million in total revenue in 2005 to \$1.48 billion at the end of 2022. During the same time period, Cambridge added 3,000 financial professionals and over 800 associates². Strategic, disciplined budget expense management and our low debt and diligent planning translates into freedom of choice as well as quality of service for independent financial professionals serving their clients. In addition to its campus in Fairfield, Iowa, Cambridge expanded with an office in Phoenix, Arizona, in 2020 to further support financial professionals in the western region of the United States and tap into an additional talent pool. Among the largest independent broker-dealers³, Cambridge serves independent financial professionals based in every state.

VOTING / NON-VOTING STOCK

We are constantly learning from the marketplace when it comes to advanced planning techniques and how we can apply that knowledge to our own succession plan. In 2021, the senior leadership team recommended that Cambridge pursue a stock recapitalization to ensure internal control and strategic direction. We felt this action made our plan even better and was an important step to take for our financial professionals and associates. We have achieved our internal control through the use of voting and non-voting shares, where the senior leadership team owns the majority of the voting stock.



FAMILY FOUNDATIONS

In line with his charitable nature and desire to make a difference in the areas that are most important to him, Eric formed two family foundations that are also an important component of the firm's succession plan. Special trustee(s) on the Cambridge senior leadership team have been established to ensure the firm's commitment to independence continues on.

PROFIT-SHARING PLAN

We want our associates to recognize they have a key role in contributing to the company's success. A profit-sharing plan, intended for retirement savings, provides an opportunity for Cambridge associates to share in the profits of the company depending on company performance. We believe being transparent about our revenue and expenses builds trust, and helps our associates understand how their everyday actions can impact both the top and bottom lines of the firm.



CULTURE

At Cambridge, our purpose is to make a difference in the lives of our financial professionals, their clients, and our associates. With our core values of integrity, commitment, flexibility, and kindness leading the way, our purpose and values have long been the basis for how we work, communicate, and make decisions. Our succession plan was also developed with our associates in mind, as we want the Cambridge culture to continue into future generations for the benefit of all members of our Cambridge family. We believe happy associates lead to happy clients, and we work to create an environment in which associates can make a difference while pursuing their own career opportunities. Our firm's unique culture is a driving reason associates – as well as financial professionals – choose to work with and stay with Cambridge.

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Reputation, culture, and internal control are the top reasons financial professionals cite in choosing Cambridge. We're proud of the success we've had in surrounding ourselves with a like-minded, innovative leadership team that can help us as we grow and maintain the culture of the organization.

Amy Webber
CEO

AT CAMBRIDGE, WE HAVE OUR SUCCESSION PLAN FIRMLY IN PLACE, AND WE STAND READY TO ASSIST YOU ON YOUR JOURNEY.

Our succession plan is designed for the long-term perspective and supports our commitment to freedom of choice and independence. The future of your business is just as important to us. We've created a team dedicated to supporting financial professionals in formalizing their own continuity and succession plans. And for those still growing their firms, this team can help with acquisitions and all phases of the process. It's never too late to start planning for the future.

About Cambridge

Cambridge is a financial solutions firm focused on serving independent financial professionals and their clients while preserving its internal control. Cambridge offers a broad range of choices for independent financial professionals regarding solutions for advice, growth, technology, and independence. Cambridge's national reach includes: Cambridge Investment Research Advisors, Inc. – a large corporate RIA; and Cambridge Investment Research, Inc. – an independent broker-dealer, member FINRA/SIPC, that is among the largest internally controlled independent broker-dealers in the country.

Cambridge Investment Research, Inc.
1776 Pleasant Plain Road | Fairfield, Iowa 52556
877-688-2369 | [JoinCambridge.com](https://www.joincambridge.com)



¹Cambridge and its predecessor broker-dealer

²As of 12/31/22.

³By total revenue, 2022 *Financial Planning* IBD Elite rankings

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