

# Customer Relationship Summary

## Form CRS



CUNA Brokerage Services, Inc. is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

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

We offer broker-dealer services and investment advisory and planning services to retail investors. Depending on your needs and investment objectives, the firm can assist you with commission-based accounts, fee-based accounts or planning services or all three. There are key differences highlighted below between these types of accounts, including the services and costs associated with broker-dealer services and investment advisory services. You should carefully consider these differences and work closely with your financial professional when deciding which services and accounts are right for you. Your financial professional may not be able to offer all types of accounts and services discussed in this form based on their individual qualifications. Free and simple tools are available for you 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.

#### **Broker-Dealer Services**

Our broker-dealer services utilize a structure in which investors typically pay a commission and/or sales charge for each transaction placed within the account based on the type of investment and dollar amount.

As a broker-dealer, we can recommend and effect securities transactions for you, including buying and selling securities (including investment funds and products) that can be either held in accounts with our clearing firm ("brokerage accounts"), or held in accounts directly with the issuer of the securities purchased (sometimes referred to as "directly held accounts"). We also offer employee retirement plan accounts and IRAs, where your investments will be held with the custodian. In addition, our brokerage accounts offer the option to hold cash in money market funds.

Broker-dealer accounts enable you to invest in many types of securities or investments including mutual funds, stocks, bonds, exchange traded products, unit investment trusts, annuities, and alternative investments. We limit our investment offerings to a specific menu of investment funds or products.

Some of these investments are managed by persons related to the firm while others are offered by unaffiliated third parties. We do not have any minimum account requirements for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements imposed by the product provider.

Your financial professional can provide advice incidental to your transaction but does not have an ongoing obligation to update those recommendations or monitor your account performance. You can choose to meet with your financial professional whenever a need arises, or if you would like to review your account.

We do not have discretionary investment authority, which means that we cannot buy or sell investments in your account without first obtaining your consent. Trading activity is self-directed and generally used for a buy and hold strategy. You make the ultimate decision regarding the purchase or sale of investments. This would be considered a "non-discretionary" account.

Not all of our financial professionals can offer the full range of broker-dealer investments and services we offer.

#### **Investment Advisory Services**

Our investment advisory services allow you to receive financial planning services or investment advice utilizing a fixed or asset-based fee structure. Investment advisory accounts allow you to implement your investment strategy, generally without paying individual trading costs for each trade placed within the account.

Many of our managed account strategies feature professional portfolio management including asset allocation, risk management, investment selection, tax harvesting and dynamic account rebalancing.

You can choose an account that allows your Financial Professional to buy and sell investments in your account without asking you in advance (a "discretionary account"). We can also give you advice and you make the final decision as to what strategies and/or investments to buy and sell (a "non-discretionary account").

Some of these investments are managed by persons related to the firm while others are managed by unaffiliated third parties. Investment minimums generally apply and will vary by type of investment or strategy.

Your financial professional will contact you at least annually to discuss your account and provide you with ongoing advice with respect to your managed account investment portfolio, which will be designed to meet your goals and objectives. Due to the ongoing advice and monitoring, investment advisory fees are deducted directly from your account on a quarterly or monthly basis.

Our **financial planning** services allow your financial professional to provide you with a written financial plan. It will contain recommendations designed to help meet your stated goals and objectives. This plan can also include a review of your current investment portfolio and develop an asset management strategy. With this option there is no obligation to purchase investment or insurance products, however the financial professional can charge a fee for this service. Each time a plan is created or reviewed, a fee can be assessed and how often this occurs is up to you.

Not all of our financial professionals can offer investment advisory services or programs.

## What fees will I pay?

Broker-dealer accounts and investment advisory services and fees differ, and it is important for you to understand these differences. **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 additional information, please see our website [cunabrokerage.com](http://cunabrokerage.com).

### **Broker-Dealer Services Fees**

#### **Transaction Fees:**

You will pay commissions, markups/mark downs, sales charges and/or other fees on products purchased and sold in your account. This is to offset the costs to the firm for placing those trades and offering them for sale as well as to compensate the firm and your Financial Professional for their services.

#### **Account maintenance/Custodial Fees:**

Account maintenance and/or custodial fees will be deducted directly from the cash balance in your account. These fees are commonly assessed annually or at the closing of an account. They help offset some of the expenses to maintain your account, such as sending and preparing account statements, confirmations, and tax reporting documents.

#### **Investment Expenses:**

Depending on the investment you choose, you can incur additional expenses. These expenses cover the investment management and operating costs of certain investment products and are disclosed in the prospectus and/or statement of additional information.

#### **Other Fees & Costs:**

You will typically pay, and we will receive a portion of, certain fees associated with your brokerage account, including fees paid to the clearing firm or account custodian, as well as fees for certain services that you select, such as wire transfers or margin, and a termination or transfer fee when your brokerage account is terminated or transferred to another broker-dealer.

### **Investment Advisory Services Fees**

#### **Asset-Based Fees:**

For each managed account, you pay an asset-based fee based on the services provided and the assets held within your account(s). This fee is generally broken into monthly or quarterly payments and deducted from your account accordingly.

#### **Account maintenance/Custodial Fees:**

Account maintenance and/or custodial fees can be deducted directly from the cash balance in your account. These fees are commonly assessed annually or at the closing of an account. They help offset some of the expenses to maintain your account, such as sending and preparing account statements, confirmations, and tax reporting documents.

#### **Investment Expenses:**

Depending on the investment you choose, you can incur additional expenses. These expenses cover the investment management and operating costs of certain investment products and are disclosed in the prospectus and/or Investment Proposal.

#### **Other Fees and Costs:**

In addition to the fees described above, you can pay, and we can receive a portion of, certain fees associated with your advisory account, such as account opening fees, account termination fees, and account transfer or liquidation fees, depending on the advisory program, which include fees paid to the clearing firm or account custodian for their services.



**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?**

**Broker-Dealer Services**

When acting in a broker-dealer capacity we must act in your best interest and not put our interest ahead of yours when we recommend an investment or investment strategy involving securities. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations. We do not monitor your portfolio or investments on an ongoing basis.

**Investment Advisory Services**

When acting in an investment advisory capacity we are working in a fiduciary capacity. We are held to a fiduciary standard that covers our entire investment advisory relationship with you. For example, we are required to monitor your portfolio, investment strategy and investments on an ongoing basis.

**Conflicts of Interest:**

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:** CBSI markets, distributes, and works to retain assets in certain annuities, managed account portfolios and retirement plans manufactured and/or managed by affiliated entities. The sale and retention of these products results in greater compensation for CUNA Mutual Group which gives CBSI a financial incentive to sell them.

**Compensation Practices:** CBSI offers or recommends products for which it receives greater compensation than other products. This gives CBSI an incentive to recommend products based on compensation received.

**Broker-Dealer Examples**

Because we are paid each time you trade in your account or make a new investment, we have an incentive to encourage you to trade more and make additional investments. These transaction-based payments, or commissions, create a conflict of interest for us because of the incentives to encourage more trading and additional investments. Here are additional examples of incentives created by some of the payments we receive.

**Third-Party Payments.** When we sell an investment fund or product to you as a broker-dealer, we receive payments from the issuer (such as a mutual fund or insurance company) and their sponsors or managers, and we receive ongoing payments, such as 12b-1 fees, from them. These payments create an incentive for us to sell you investments that entail such payments and to maintain our relationships with the issuer and their affiliates. Since the amount of compensation we receive varies among and between the issuers and the different investments and types of investments that we offer as a broker-dealer, we have an incentive to sell you those investments that pay us more compensation.

**Revenue Sharing.** In addition to the third-party payments discussed above, many issuers and fund sponsors or managers make payments to us that are sometimes called "revenue sharing" payments because they share with us a part of the revenue that they earn on your investments in their funds or products. These payments are an incentive for us to offer or continue offering investments and services that entail such payments and to encourage you to increase the amount of assets in those investments. Our clearing firm also shares some of the fees and revenues it earns on assets in your brokerage accounts, including account assets in a cash sweep vehicle.

**Investment Advisory Examples**

Since we are paid based on the assets in your advisory account, the more assets there are in your account, the more you will pay in fees, so we have an incentive to encourage you to increase the assets in your advisory account. In the case of wrap programs we sponsor, we retain a greater portion of the program fee if we minimize the trades or trading costs in the wrap program, so we have a conflict because wrap programs encourage us to minimize trading costs in order to retain a higher portion of the wrap fee. Here is an example of incentives created by certain payments we receive.

**Revenue Sharing.** In addition to the third-party payments discussed above, some of the investment managers and other service providers, such as clearing firms, for our advisory programs share a part of the revenue with us in our capacity as a broker-dealer in connection with your advisory account assets, including assets in a cash sweep vehicle. These payments create an incentive for us to select or recommend those investment managers and service providers for your advisory account assets and to encourage you to increase the amount of assets in your account.



## How do your financial professionals make money?

Our financial professionals are paid in a variety of ways. They could be paid by a salary, a portion of the commissions we receive, and/or a portion of the investment advisory fees we receive. They may be paid by only one of these methods or a combination of all three. The commissions we receive generally vary based on the investments purchased and sold, and the advisory fees we receive generally vary based on the investment advisory program selected. The portion of the commissions or fees we pay to the financial professional also varies among financial professionals depending on the financial professionals' performance. This creates an incentive for our financial professionals to sell more investments as a registered representative of our broker-dealer and to increase advisory account assets as an investment adviser representative of our investment adviser to qualify for a higher portion of commissions and investment advisory fees.

In the case of certain investment funds and products, the issuer or the sponsor provides our financial professionals other forms of compensation, including business entertainment, expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and small gifts. In addition, depending on the specific type of investment advisory program, certain financial professionals can receive similar forms of other compensation from the sponsors or managers of those programs, including business entertainment and business travel expense reimbursements. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend those investments or funds whose issuers or sponsors offer these forms of compensation.

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

We have legal and disciplinary events, and some of our financial professionals also have legal and disciplinary history. Visit the SEC's [Investor.gov](https://www.investor.gov) website for a free and simple search tool to research our firm and our financial professionals.

## For additional information regarding the above business practices and decisions:

For additional information about our brokers and services, visit the SEC's [Investor.gov](https://www.investor.gov) website, FINRA's [BrokerCheck.finra.org](https://www.brokercheck.finra.org) website, our website at [cunabrokerage.com](https://www.cunabrokerage.com), and your account agreement.

For additional information on advisory services, refer to our Form ADV brochures on IAPD, on [Investor.gov](https://www.investor.gov), on our website [cunabrokerage.com](https://www.cunabrokerage.com), and any brochure supplement your financial professional provides.

To report a problem to the SEC, visit [Investor.gov](https://www.investor.gov) or call the SEC's toll-free investor assistance line at 800.732.0330.

To report a problem to FINRA, visit [FINRA.org](https://www.finra.org) or contact their call center at 301.590.6500.

If you have a problem with your investments, account, or financial professional, call us toll-free at 800.369.2862, or contact us in writing at CUNA Brokerage Services, Inc., Customer Service, 2000 Heritage Way, Waverly, IA 50677.

## Questions to ask your financial professional

**Here are some additional questions you may want to consider asking 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?
- As a financial professional, do you have any disciplinary history? For what type of conduct?
- How might your conflicts of interest affect me, and how will you address them? 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?
- Given my financial situation, should I choose an investment advisory service? Should I choose a broker-dealer 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?

