

CUSO Financial Services, LP (referred to as “we”, or “us, or CFS”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. Additionally, we are a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). We have a network of financial professionals who offer brokerage and investment advisory services. These services and their fees differ, and it is important for you to understand the differences.

This relationship summary explains the various services we offer, how we charge for those services, and conflicts of interest that exist when we provide our services.

To help you research firms and financial professionals, free and simple tools are available at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. You should carefully consider which types of accounts and services are right for you.

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

Our financial professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each financial professional generally provides access to a range of investment products such as stocks, bonds, exchange traded funds (ETF’s), mutual funds, annuities and alternative investments. Please note that the range of investment options available to you may be limited depending on the licenses your financial professional holds or if he or she is located at a financial institution that does not offer certain options. Your financial professional or account program may also have

specific requirements, such as account or investment minimums. We encourage you to ask your financial professional whether any investment limitations or account requirements apply. If your financial professional offers you both brokerage and advisory services, your financial professional will inform you when he or she offers an investment recommendation or advice, and whether the recommendation or advice is part of a brokerage or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### Brokerage Services

- If you plan to follow a buy-and-hold strategy without ongoing advice from a financial professional and you prefer to pay for each transaction, a brokerage account may be the right choice for you.
- Brokerage services include taking your orders and executing your securities transactions; making recommendations for you to buy, sell, or hold securities; and holding your securities for safekeeping (known as having “custody” of your securities).
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We also have a program available through a limited number of financial institutions in which you make investment decisions on your own without any recommendations from us.
- We don’t monitor brokerage account investments for you, unless we say we will in writing.
- We may provide brokerage services (but not investment recommendations) to you if your financial professional is providing advisory services through a separate investment advisory firm.
- We do not have a minimum account size to maintain a brokerage account.

### Investment Advisory Services

- If you want a financial professional to manage your investment portfolio on a continuous basis, an advisory relationship may be the right choice.
- Some of the investment advisory services we offer may include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning/consulting services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You will typically grant third-party investment advisory firms or sometimes us discretion to buy and sell investments in your account without asking you in advance. You may limit such discretion by imposing reasonable restrictions on investing in certain securities or groups of securities.
- For our investment advisory accounts that are nondiscretionary, this means you are required to preapprove each investment transaction that we recommend.
- We will typically monitor accounts and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in limited scope consulting or advisory relationships, we won’t provide ongoing monitoring.
- We require a minimum investment amount to manage your account in our investment advisory programs. The services of third-party advisors we offer also typically require a minimum account size.

**More detailed information** about our brokerage services can be found our [Brokerage Services Disclosure Summary](#). Detailed information about our advisory services can be found in our [Form ADV](#).

### Questions to ask your financial professional:

- Given my financial situation, should I choose a brokerage service, an investment advisory service or a combination of both? Why or why not?

- How will you choose investments to recommend to me?
- What is your relevant experience, including licenses, education and other qualifications? What do these qualifications mean? Based on your licensing, are you limited to specific types of investments?

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## What fees will I pay?

Below is a summary of the fees that you could be charged for both brokerage and advisory services. You can also review our [Fee Schedules](#).

### Fees Associated with Brokerage Services

- For brokerage services, we charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. The more trades you make, the more transaction-based fees we earn. This creates an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction based fee is usually charged as a separate commission that is added to the principal amount of the transaction. For investments in bonds, this fee is typically included as part of the price you pay or receive for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based on how long you hold the investment. Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### Fees Associated with Investment Advisory Services

- For investment advisory services, we typically charge an ongoing fee (sometimes referred to as an asset-based fee) which is paid monthly or quarterly in advance or in arrears. This fee is a percentage of the value of your account. You pay this fee even if you don't buy or sell investments. The more assets you have in an asset-based fee account, the more you'll pay us in fees. This creates an incentive to encourage you to increase the size of your account, including by transferring or rolling over assets from other accounts. For some types of accounts, there is a per transaction charge in addition to an asset-based fee. We may also charge an hourly fee or fixed fee for additional services such as financial planning and consulting services that are of limited duration or nature.
- For wrap fee program accounts, you will pay us a single asset-based fee. This fee covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay is generally negotiated with your financial professional directly, and subject to different maximums, depending on the advisory program selected.

### Other Fees and Costs

If applicable to your account, you will be charged directly for other fees in addition to brokerage commissions and advisory fees, which may include some or all of following, as applicable: (1) account maintenance fees such as custody, trade confirmation processing and transfer fees that are standard and customary; (2) cash management fees such as cash sweep, checking and wire fees; and (3) investment specific fees such as those for administration of alternative investments or for foreign securities. See our [Fee Schedule](#) for our brokerage services and our [Form ADV](#) for advisory programs. You should understand that these fees are not charged by us but by our brokerage account custodians or product sponsors, depending on where your account is custodied. We do mark-up and receive a portion of many of the fees charged by our

brokerage custodians which creates a conflict for us to recommend brokerage accounts. You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in Third-Party Payments. Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals. 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.

Detailed information on our advisory fees can be found in our [Form ADV](#) for your advisory program. Detailed information on our brokerage fees can be found in our [Brokerage Services Disclosure Summary](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document.

## Questions to 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?

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## 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 that we provide to you. Below are some examples to help you understand what this means. If you have any questions about whether any of these situations could apply to your investments, ask your financial professional.*

Essentially, all financial services companies have conflicts of interest. Specifically, there are conflicts of interest associated with the compensation that we and our financial professionals receive. Accordingly, we have adopted conflict mitigation practices that are tailored to the nature and scope of conflicts of interest.

### Third-Party Payments

We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 Fees or trail payments), which an investment product charges you and then pays to us. We also receive various benefits from our relationship with one of our clearing and custodial firms, Pershing LLC. Some examples include revenues from uninvested cash balances you authorize us to move into FDIC insured bank deposit products and in limited cases, into money market funds, a growth assistance credit to help us grow our business on the Pershing Platform, and a portion of certain brokerage account services and custodial fees that exceed the amount we are charged for these services.

This creates an incentive for us if you maintain a cash balance in your brokerage account with us. We also receive revenue sharing payments which are another type of third-party compensation we receive from sponsors who participate in our marketing programs. These programs support our product marketing to our financial professionals and for education and training efforts and facilitate communications between sponsors and our

financial professionals. Because we receive payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in our [Brokerage Services Disclosure Summary](#).

### Principal Trading

In brokerage accounts, we sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts (UITs) or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. We do not engage in proprietary trading or maintain a bond inventory.

Detailed information on our conflicts of interest can be found in our [Form ADV](#) for your advisory program and for brokerage services in our [Brokerage Services Disclosure Summary](#).

## Questions to 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?

Our financial professionals are primarily independent contractors to us but employed by your financial institution, although a portion are our employees. Those who provide you with brokerage services, generally receive a portion of the commission or makeups/markdowns from your trades. When providing advisory services, the financial professional receives a portion of the advisory fee that you pay. If applicable, your financial institution also receives a portion of these commissions and fees. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for a financial professional to encourage you to increase your investment account size, trade more frequently, or recommend products that pay higher commissions. We also compensate financial professionals and their financial institutions based on production, including payments based on the amount of client assets they service and the products they sell. In addition, our financial professionals and institutions receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. Although your financial professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products. Our financial professionals may receive compensation from us in other ways, including:

- Transition assistance to your financial institution if they moved to us from another company. This assistance can include forgivable loans, advance payment of advisory

fees, and/or waving or reducing other costs associated with transitioning the financial institutions' investment program and advisor's business. This assistance creates an incentive to migrate and maintain business on our platform from another investment platform, and to sell or recommend the sale of investments held in an account if we do not offer those investments.

- Waived or reduced costs for marketing, technology, or practice management programs or subscriptions.
- Award qualifications are based on total sales with the firm overall, accumulating assets, or for non-registered insurance sales. Financial professionals receive non-cash benefits from product sponsors and third-party money managers that is not in connection with any particular client. This compensation includes such items as gifts valued at less than \$100 per year or reimbursement in connection with educational meetings, seminars or client appreciation events, or marketing or advertising initiatives, including services for identifying prospective clients.

Your financial professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way our financial professionals are paid, including systems to review whether a recommendation is in your best interest. More information on compensation can be found in our [Brokerage Services and Disclosure Summary](#).

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

Yes, the firm and some of our financial professionals have legal and disciplinary disclosures. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

### Questions to ask your financial professional:

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

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## Additional Information

For additional information about our brokerage and advisory services, please view our [Investment Product and Services Overview](#). If viewing a paper version of this form, please visit [cusonet.com/disclosures/](http://cusonet.com/disclosures/) for hyperlinks to documents referenced herein.

If you would like additional, up-to-date information, a current copy of the current Relationship Summary, or if you have a problem with your financial professional, please call us at 800-686-4724.

### Questions to ask your financial professional:

- Who is my primary contact person?
- Is he or she a representative of a broker-dealer or an investment adviser or both?
- Who can I talk to if I have any concerns about how this person is treating me?