



SWBC Investment Services LLC is registered with the Securities and Exchange Commission and Financial Industry Regulatory Authority (FINRA) as a broker-dealer and is a member of Securities Investor Protection Corporation (SIPC) and the Municipal Securities Rulemaking Board (MSRB). We are also affiliated with SWBC Investment Company that is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to 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. This document is a summary of the main types of services we offer to “retail investors”, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following brokerage services and investment advisory services to retail investors:

- As a broker-dealer, we offer full-service and self-directed **brokerage services** that include buying and selling securities. We provide the ability to execute the purchase and sale of various types of securities and investments on your behalf, at your direction. We also offer investment recommendations and investment strategy recommendations but you make the ultimate decision regarding the purchase or sale of investments.
- As an investment adviser, we offer **investment advisory services** where we provide Financial Planning Services; Portfolio Management Services; Selection of Other Advisers and Sponsor and Manager of Wrap Fee Program(s).

Account Monitoring:

- **Brokerage Services:** We do not provide account monitoring services for your brokerage accounts. Your financial professional may voluntarily review account holdings from time to time but these reviews are not an account monitoring service. If you prefer on-going monitoring of your account(s) or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you.
- **Advisory Services:** We and your financial advisor conduct ongoing monitoring of your advisory accounts tailored to your accounts and advisory relationship.

Investment Authority:

- **Brokerage Services:** You make the ultimate decision regarding the purchase and sale of investments in your brokerage investment account(s).
- **Advisory Services:** We manage investment accounts on a *discretionary* basis whereby we *will decide* which investments to buy or sell for your account. We have discretion to select, retain or replace third-party managers to manage your accounts. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We also offer *non-discretionary* investment management services whereby we will provide advice, but *you will ultimately decide* which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Investment Offerings:

- **Brokerage Services:** We offer the following types of investments or products: stocks, corporate bonds, commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, money market funds, real estate investment trusts (REITs), structured notes, exchange traded funds (ETFs), private placements and limited partnerships.
- **Advisory Services:** We offer advice on the following types of investments or products: stocks, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, money market funds, real estate, real estate investment trusts (REITs), derivatives, structured notes, exchange traded funds (ETFs), private placements and limited partnerships.

Account Minimums and Requirements:

- **Brokerage Services:** We do not require a minimum dollar amount to open and maintain a brokerage account. However, some investment products may have investment minimums.
- **Advisory Services:** In general, we do not require a minimum dollar amount to open and maintain a non-wrap fee advisory account; however, we have the right to terminate your account if it falls below a minimum size, which, in our sole opinion, is too small to manage effectively. We may require a minimum account size of \$5,000 to open and maintain a wrap fee advisory account determined by the Account Type or Strategy. However, some Portfolio Managers or programs may have higher minimum investment minimums.

For additional information about brokerage services, refer to our website:

<https://www.swbc.com/disclosures/investment-services-disclosures>

and for investment advisory services, refer to the Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures <https://adviserinfo.sec.gov/firm/brochure/140994>.

Key Questions to 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?

The principal fees and costs associated with engaging our firm for brokerage services:

You will pay a fee whenever you buy or sell securities, this is referred to as a commission. Fees for certain investments, such as bonds, will be part of the price you pay for the investment (called either a mark-up or mark-down). Some transactions will also incur transaction charges which are typically charged at the time a transaction is executed. The more transactions you place, the more commission and fees we earn thus, we might have an incentive to encourage more transactions.

The principal fees and costs associated with engaging our firm for advisory services include:

- **Asset Based Fees** – are payable in advance or arrears depending on the program type. Since the fees we receive are asset-based (i.e., based on the value of your account), we have an incentive to increase your account value, which creates a conflict especially for those accounts holding illiquid or hard-to-value assets;
- **Financial Planning Fees** – are payable by the hour. These fees are charged based on the client's needs and terms detailed in their financial planning agreement;

- **Selection of Other Advisers** – are payable in advance. We may recommend that you use the services of a third-party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. We receive a portion of the fee paid to the TPMM.
- **Wrap Program Fees** – are payable in advance. If you participate in the Wrap Fee Programs, you will pay a single fee, which includes portfolio management fees, transaction costs, and custodial and administrative costs. You will not be charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our advisory services. The overall cost you will incur if you participate in the Wrap Fee Program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program together with investment advice and brokerage services.

In addition to our principal fees and costs for brokerage and advisory services, there are other common fees and costs that maybe applicable to our clients that include:

- Custodian fees
- Inactivity fee
- Product level fees related to mutual funds and exchange-traded funds
- Account maintenance fees
- Transaction charges when purchasing or selling securities; and
- Fees related to variable annuities, including surrender charges.

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 about our fees and charges, refer to additional disclosures on our website <https://www.swbc.com/disclosures/investment-services-disclosures> and refer to our Form ADV Part 2A, Items 5 and 6 and Form ADV Part 2 Appendix 1 Brochures: <https://adviserinfo.sec.gov/firm/brochure/140994>.

Key Question 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?**

What are your legal obligations to me when acting 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/or investment advice we provide you. Here are some examples to help you understand what this means.

- **Principal Trading:** We may buy a security from you or sell you a security from our own accounts (called "acting as principal"), predominantly with bonds and other fixed income securities but only with your specific approval on each transaction. We can earn a profit on these trades, so we may have an incentive to encourage you to trade with us;
- **Proprietary Products:** SWBC Investment Company acts as a sub-advisor to the AlphaCentric Municipal Opportunities Fund, a mutual fund (the "Fund"). For its services as sub-advisor, our advisory firm receives compensation. Our brokerage firm, SWBC Investment Services, and its registered representatives, sell these Fund shares to retail investors and are paid sales charges and asset-based service fees (12b-1 Fees). The proceeds from these Fund sales increase the Fund's assets which in turn, increases the compensation we earn. This creates an incentive for us to promote and recommend the Fund shares based on such economic benefits, rather than based on the benefits of the Fund for the retail investor.

- *Third-Party Payments:* Financial professionals providing advisory services on behalf of our advisory firm can also be registered representatives with our broker-dealer. These persons receive compensation in connection with the purchase and sale of securities or other investment products within a brokerage account. Compensation earned by these persons is separate and in addition to our advisory fees. This practice presents a conflict of interest because they may have an incentive to recommend investment products based on the compensation they receive;
- *Third-Party Payments:* Financial professionals providing brokerage or advisory services on behalf of our firm can also be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions are separate and in addition to our advisory fees. This practice presents a conflict of interest because they may have an incentive to recommend insurance products to you which can generate additional commissions;
- *Trail Compensation:* ongoing compensation from product sponsors typically paid from the assets of an investment product based on an annual percentage of invested assets and varies by product. Our financial professionals and our firm may receive trail compensation from some investment products. We, therefore, may have an incentive to recommend products that pay higher “trails”.

This summary does not identify all of our conflicts of interest or all material facts about the conflicts listed. For additional information, please see our website <https://www.swbc.com/disclosures/investment-services-disclosures> and our Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures <https://adviserinfo.sec.gov/firm/brochure/140994>.

Key Question 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?

The financial professional providing brokerage services to you are compensated based on a salary; a percentage of commissions, markups and markdowns earned in brokerage accounts; ongoing fees from mutual funds and certain other product issuers. They may receive a discretionary bonus based on meeting client service level metrics. Compensation earned by a financial professional presents a conflict of interest because the more they sell, the more they can earn.

The financial professional servicing your advisory account(s) are compensated in the following ways: Percentage of advisory fees based on the amount of clients assets they service; hourly or fixed fees based on the time required to meet a client's needs; and/or a salary; bonus.

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

Yes. Visit Investor.gov/CRS. For a free and simple search tool to research us and our financial professionals.

Key Questions to Ask Your Financial Professional

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

For additional information about our services, please visit our website:

<https://www.swbc.com/disclosures/investment-services-disclosures>. If you would like additional, up-to-date information or a copy of this relationship summary, please call 866-884-2605.

Key Questions to 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?**



Exhibit to Form CRS - Summary of Material Changes

SWBC Investment Services, LLC and SWBC Investment Company are required to update their joint Form CRS when information in the Form CRS changes or becomes materially inaccurate. This Exhibit summarizes the following material changes to the joint Form CRS, as of May 6, 2021. Headings shown below relate to the original Form CRS:

Account Minimums and Requirements: Brokerage accounts no longer require a minimum amount to open and maintain an account. Wrap fee advisory accounts may require a minimum account size of \$5,000, which is now determined by the Account Type and Strategy.

What fees will I pay?

Asset Based Fees –the description of these fees now provides these fees are payable either in advance or arrears, depending on the program type.

What are your legal obligations to me when acting 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. . . . Here are some examples to help you understand what this means.

We have added a new example under these headings of the ways we make money and the conflicts of interests that are created, as follows:

Proprietary Products: SWBC Investment Company acts as a sponsor of Private Placements (the “Fund”). For its services as sponsor, our advisory firm receives compensation. Our brokerage firm, SWBC Investment Services, and its registered representatives, sell these Fund shares to retail investors and are paid sales charges and asset-based service fees (12b-1 Fees). The proceeds from these Fund sales increase the Fund’s assets which in turn, increases the compensation we earn. This creates an incentive for us to promote and recommend the Fund shares based on such economic benefits, rather than based on the benefits of the Fund for the retail investor. SWBC Investment Company also originates Private Funds for Accredited Investors, as the Registered Investment Advisor to such Private Funds, SWBC Investment Company collects a fee, reference Private Placement Memorandum for more information.