



Part 2A of Form ADV:

**FROST INVESTMENT SERVICES, LLC
FIRM BROCHURE**

Dated: August 2019

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This brochure provides information about the qualifications and business practices of Frost Investment Services, LLC. If you have any questions about the contents of this brochure, please contact Frost Investment Services, LLC at phone number (800) 292-1292. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Frost Investment Services, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. References to Frost Investment Services, LLC as a registered investment adviser or descriptions of being registered does not imply a certain level of skill or training.

MATERIAL CHANGES

From time to time, Frost Investment Services, LLC (“FIS”) may amend this Disclosure Brochure to reflect changes in the firm’s business practices, changes in regulation and for routine annual updates as required under the Investment Adviser’s Act of 1940, as amended (the “Advisers Act”) or the rules adopted by the U.S. Securities & Exchange Commission (“SEC”). This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client Annually and if a material change occurs in the business practices of FIS or in other information set forth herein. At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Advisor Public Disclosure website at www.adviserinfo.sec.gov or contacts us at (800) 292-1292 to receive a free copy. This Disclosure Brochure dated March 29, 2019 amends the previous Disclosure Brochure dated October 1, 2018. Below is a summary of the material changes to this Brochure:

The Advisory Business section has been updated to reflect changes in the assets under management.

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Advisory Business

Frost Investment Services, LLC (“FIS”, “we”, “us”, “our”, or “Adviser”) is a retail investment adviser registered with the United States Securities and Exchange Commission (“SEC”), established in November 2016 and first registered in January 2017. We are a wholly owned subsidiary of Frost Bank (“Frost”). Frost is a wholly owned subsidiary of Cullen/Frost Bankers Inc.

As of December 31, 2018, FIS had total discretionary assets under management of \$1,237,493,348. There are no non-discretionary assets under management.

We offer investment advisory services to clients (“you”, “your”, or “yours”) through personal consultations designed to obtain detailed financial information and other pertinent data. In formulating the investment advice to you, factors that we may consider include the following:

- financial and personal circumstances,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- financial goals,
- income (current and potential),
- portfolio size,
- net worth,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives. You should also notify us if you wish to impose any reasonable restrictions upon the management of your account.

Portfolio Management

We offer a variety of investment strategies designed to diversify your securities portfolios. We offer equity and fixed income management, providing a range of style-based investment approaches including: capital appreciation, growth, growth and income as well as taxable and tax-exempt fixed income objectives. Assets are allocated within a mix of securities that include all or some of the following:

- equities,
- bonds,
- mutual funds, and
- exchange traded funds.

Assets are typically managed to an allocation model. FIS has entered into an agreement with our affiliated registered investment adviser, Frost Investment Advisers, LLC (“FIA”) to provide asset allocation models. The asset allocation models are primarily focused on diversification and minimizing volatility in a portfolio by distributing assets across a broad spectrum of asset classes. FIA provides to FIS guidance as to the securities to be bought, sold or held in each asset allocation model, as well as the percentage of the model portfolio to be invested in each underlying security. Within the allocation model guidelines, your FIS investment adviser representative maintains discretion over the implementation of any advice received from FIA.

Financial Planning

We can prepare and provide you with a written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan necessitates that you provide us with personal data such as:

- family records,
- budgeting,
- personal liabilities,
- estate information, and
- additional financial goals.

The financial plan will include any, or all, of the following as requested or directed by you and agreed by contract:

- asset protection,
- tax planning,
- business succession,
- strategies for exercising stock options,
- cash flow,
- education planning,
- estate planning and wealth transfer,
- charitable gifting,
- long-term care and disability planning,
- retirement planning,
- insurance planning, and
- risk management

We do not provide accounting, tax or legal advice. Should you choose to implement the recommendations contained in the plan, we suggest working closely with your attorney and accountant.

Fees and Compensation

We offer our services on a fee-only basis and the fee is billed monthly, in advance. Advisory fees are calculated based on the market value (as determined by the custodian) of account assets under management. The advisory fees for the initial month are prorated, based upon the number of calendar days in the month that the management agreement is in effect.

The schedule is as follows:

Assets Under Management	Annual Advisory Fee
First \$5,000,000	0.80%
Next \$5,000,000	0.60%
Over \$10,000,000	0.50%

A minimum annual fee of \$500 applies to all accounts.

Our Investment Management Agreement with you authorizes us to deduct the advisory fee from your custodial accounts.

Your custodian/broker-dealer will provide you with statements that show the amount of the fees paid directly to us. You should review the custodian/broker-dealer's statements and verify the calculation of our fees. The custodian/broker-dealer does not verify the accuracy of fee calculations.

Advisory fees are based on the complexity of the selected investment products and level of service required by each client. We have the right to change any or all of our fee schedules as agreed upon by contract with individual clients. We may negotiate advisory fees at the sole discretion of our management. Negotiated fees may be lower, or higher, than the fees stated above. Comparable services for lower fees may be available from other providers of investment advisory services. There is a \$500 minimum advisory fee assessed to a client's account for investment advisory services.

The fees discussed above include payment solely for the investment advisory services provided by us. The advisory fee does not include other transaction costs, or custody fees that may be applied to non-model assets. Also, the fee does not include

management or other fees imposed by investment companies including, but not limited to, the Frost Funds, or other investment advisers. None of these other fees imposed by investment companies are paid to or are shared with us. However, to the extent FIS recommends that a Client invest in the Frost Funds, FIS indirectly benefits from the investment in the Frost Funds as a result of the increase in total compensation to the parent company of FIS and the Frost Funds. We are available to answer any questions you have about fees and expenses. Please see the “Brokerage” section of our brochure for additional information.

Either party, without penalty, may terminate the advisory agreement, subject to the terms of any contract in force at that time. Should either party terminate the advisory agreement we have entered into before the end of a billing period, any pre-paid fees for services are promptly refunded.

Our investment advisor representatives (“IARs”) review investment products in client accounts; mutual funds, equities and fixed-income products. IARs can present and/or recommend model portfolios invested in Adviser managed and third party managed mutual funds. IARs have a financial incentive for clients to purchase Frost Funds over other mutual fund programs or services which are available, as well as products of our affiliate. This is due to the increased compensation to us via management fees and additional compensation to our parent, Frost Bank. This practice presents a conflict of interest and gives our IARs an incentive to recommend investment products based on the compensation, rather than on your needs.

Performance Based Fees and Side-By-Side Management

Frost Investment Services, LLC does not engage in the management of any hedge fund or unregistered fund, reducing the potential for conflicts of interest between mutual fund strategies and separately managed accounts. We do not enter into performance-based fee contracts when managing client accounts.

Types of Clients

We generally provide investment advice to the following types of clients:

- Individuals;
- Trusts, estates or charitable organizations; and
- Corporations or business entities other than those listed above.

Methods of Analysis, Investment Strategies and Risk of Loss

Frost Investment Services has entered into an agreement with our affiliated registered investment adviser, Frost Investment Advisors, LLC, to provide us with investment research in relation to the services we offer you. This research incorporates technical, fundamental and cyclical analysis to aid us in formulating investment advice and managing assets.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's value, but instead use charts and other tools to identify patterns that can suggest future activity.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It involves studying overall economic and industry conditions, as well as the financial condition of the company and the quality of its management. Earnings, expenses, assets and liabilities are all important factors for determining the value of a company. This value is then compared to the current price of the company's security to contribute towards the determination of whether to purchase, sell or hold the security.

Cyclical analysis is a form of fundamental analysis that involves making investment decisions based on the different stages of an economic cycle and the potential strength of that industry at a given point in time.

We use long term purchases (securities held at least a year) and short-term purchases (securities held less than a year) to implement investment strategies for clients. A client may place restrictions on the strategies to be used and the characteristics of assets to be held in their portfolio.

All investments involve risks that can result in loss, such as:

- Loss of principal;
- A reduction in earnings (including interest, dividends and other distributions); and
- The loss of future earnings.

Additionally, these risks include, but are not limited to:

- Market risk;
- Interest rate risk;
- Issuer risk;
- Management risk; and
- General economic risk.

We manage portfolios with a level of risk that is consistent with a stated investment objective, though we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss of your investment.

For a detailed list of risks associated with investing in Frost Funds, please refer to the prospectus and statement of additional information, which can be obtained upon request.

Disciplinary Information

We have no legal or disciplinary events to report that are material to our advisory business or the integrity of our management.

Other Financial Industry Activities and Affiliations

Our parent company, Frost Bank, is a wholly owned subsidiary of Cullen/Frost Bankers Inc., a financial services holding company offering insurance, brokerage, and investment services through Frost Bank and its subsidiaries: Frost Brokerage Services, Inc., a broker/dealer; Frost Insurance Agency, Inc., a multiline insurance agency; Frost Investment Advisors, LLC, an SEC-registered investment adviser; and Frost Investment Services, LLC.

Our investment adviser representatives (“IARs”) are also registered representatives (“RRs”) of our broker/dealer affiliate, Frost Brokerage Services, Inc. If you purchase brokerage products from our IARs in their capacity as RRs, they will likely receive a commission. This creates a conflict of interest to the extent that it incentivizes a representative to recommend purchases and sales based upon their compensation, rather than your best interest. Clients are informed of our relationship with Frost Brokerage Services and all costs and commissions are disclosed and can be discussed upon request with your IAR.

Some of our IARs have an insurance license issued by the Texas Department of Insurance with no appointments to a specific insurance company or to Frost Insurance Agency, Inc. We will review and comment on the suitability of insurance products contained in client accounts. There are indirect benefits received by us or our affiliates as a result of these transactions, even if there is no direct compensation paid to us or our employees. Clients are informed of our relationship with Frost Insurance Agency, Inc. and are not required to take our insurance advice or purchase insurance products from agents of Frost Insurance Agency, Inc.

When purchasing Frost mutual funds for you, a conflict of interest exists to the extent that the total compensation to our parent company is increased, based on the investment management fee that FIA receives on Frost Funds. All of our clients are informed of the advisory relationship of FIA to the mutual funds. FIS offers investment options that do not include Frost Funds. Our clients are not required to select investment options that include Frost Funds.

We have adopted policies and procedures that are reasonably designed to ensure that your account is handled in a manner that is consistent with the fiduciary duty owed to you. Please review the brochure supplement provided in addition to this Firm Brochure to review and evaluate your investment advisory representative’s specific licenses, registrations, and qualifications.

Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (the “Code”) to address advisory staff conduct. The Code focuses on our fiduciary duty to you, personal securities transactions by our staff, insider trading, gifts our staff may give or receive and conflicts of interest. The Code of Ethics includes our position on the following topics:

- The duty, at all times, to place the interests of our clients first;
- That all personal securities transactions be conducted in a manner consistent with the Code of Ethics and to avoid any actual or potential conflict of interest, or any abuse of an employee’s position of trust and responsibility;
- That staff may not take inappropriate advantage of their positions;
- That information concerning a client’s financial information, personal information and security holdings are confidential and should be kept secure; and
- That independence in the investment decision-making process is important.

We will provide a copy of the Code of Ethics to you and any prospective client upon request.

When purchasing Frost mutual funds for you, a conflict of interest exists to the extent that the total compensation to our parent company is increased, based on the investment management fee that Frost Investment Advisors receives on our proprietary Funds. All of our clients are informed of our relationship to the mutual funds Frost affiliates manage.

Our staff is permitted to engage in personal securities transactions. These transactions raise potential conflicts of interest if they were to trade in a security that is owned by a client, or considered for purchase or sale to a client. We have adopted policies and procedures that are reasonably designed to ensure that transactions are effected for you in a manner that is consistent with the fiduciary duty owed to you. Staff who buy or sell securities of the types bought or sold for you may do so only if they conform to our written policies.

Brokerage Practices

We recommend that National Financial Services LLC (“NFS”) serve as the custodian for your account. We are independently owned and operated and not affiliated with NFS. Our use of NFS is, however, a beneficial business arrangement for us and for NFS. Information regarding the benefits of this relationship is described as follows.

In recommending NFS as your custodian, we consider, at a minimum, its:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of NFS to execute transactions for your accounts is not the lowest possible transaction cost, but whether NFS can provide what is in our view the best qualitative execution for your account.

NFS provides us with access to its institutional trading and custody services, which include:

- brokerage,
- custody,
- asset allocation planning software,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to effect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services. NFS does not charge separately for holding and servicing your account, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your account.

NFS also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving investment advisers exclusively, and
 - access to bunched trading, which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts;
- assist with back-office function, record keeping and client reporting; and
- provide us with compliance-related publications.

NFS also makes available to us certain services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

NFS may discount or waive the fees it would otherwise charge for some or all of these services. It may also arrange for certain of these services to be provided to us by independent third-parties. In that regard, NFS may pay all or a part of the fees of the third-party providing these services to us. Thus, we receive economic benefits as a result of our relationship with NFS because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian or broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of NFS is based in part on the economic benefit to us and not solely on the nature, cost or quality of the custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through NFS may be higher than commissions and other fees available if you use another custodian/broker-dealer to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to FIS and our clients by NFS outweighs the benefit of possibly lower transaction costs that may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our clients, including clients whose accounts are not maintained through NFS. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution of transactions effected through that broker-

dealer. In addition, under these circumstances a difference may exist between the commissions charged to you and other clients who do not direct us to use a particular broker-dealer.

We aggregate orders in a bunched, or block, trade(s) when securities are purchased or sold for multiple discretionary accounts. We must reasonably believe that the bunched order is consistent with our efforts to provide best execution, and will benefit each client participating in the aggregated order equally. The average price of the security in each bunched trade is allocated to each account that participates in the trade. Accounts that participate in the same bunched trade are charged commissions, if applicable, as described in their advisory contracts. Different accounts participating in an aggregated transaction may not be charged the same commission rates. We prohibit personal trades of our staff to be bought or sold within bunched trades executed on behalf of our clients.

Prior to entry of a bunched trade, a written pre-allocation is generated that identifies the group of client accounts participating in the order. If a bunched order cannot be fully executed by the end of the business day, the securities purchased or sold are allocated in a way that is consistent with the initial pre-allocation of the trade. This is done in a way that does not advantage or disadvantage any particular client accounts. If an account is added to the bunched trade after the first business day of trading, it is accorded a prorated share of the remaining block as it is traded.

Changes in allocation before final execution may be made, provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation is documented no later than the morning following the execution of the trade.

It is our policy that a client must not be disadvantaged for trade errors attributed to the Adviser. Trades are corrected to reflect the original intent of the client. If this change results in a loss, we will reimburse this loss to you. If this change results in a gain, that gain is applied to your account.

Review of Accounts

We review client accounts for compliance with the stated objective(s), level of risk, holdings, and asset weightings. Client accounts are regularly monitored for compliance with portfolio objectives and performance in relation to benchmarks. A review to ensure that accounts are still in line with your current objectives and risk profile is performed at least annually by an investment adviser representative. We may review your account more frequently if we believe that market conditions or your personal circumstances warrant it.

Client Referrals and Other Compensation

We compensate employees of our affiliates who refer clients to us for investment advisory services. We participate in programs sponsored by our parent company, Frost Bank, and our affiliates, to pay the individual making the referral a percentage of the fee paid to us by clients that are determined to have become FIS clients as a result of our affiliates' direct or indirect efforts. These payments are taken from the stated investment management fee charged by us and does not result in an increase in the amount of fees paid by you.

A conflict of interest exists where a related person has a financial incentive to direct the referral to us over our affiliates or an unrelated third party based on the referral fee they receive. Any solicitation or referral arrangements will comply with applicable laws and regulations that govern the payment of referral fees.

Custody

Frost Investment Services does not provide custody-related services. Custody related services are available through NFS.

You will receive statements from NFS reflecting your account activity and holdings at least quarterly. You may request to have online access to view your account activity and performance. You should carefully review the statements received from your custodian and verify that the transactions in your account are consistent with your investment objectives. As disclosed above,

any custody fee is separate from the advisory fee charged to you. We also encourage you to contact your investment advisory representative or our Chief Compliance Officer should you have any concerns regarding your account.

Investment Discretion

We offer our advisory services on a discretionary and non-discretionary basis. Discretionary means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. Non-discretionary means that we must obtain advance approval from you prior to each purchase or sale of any securities for your accounts.

We do not, in either case, choose the broker-dealer through which transactions will be executed without your prior approval. If you direct the broker-dealer to be used for your account, we may not be able to negotiate the commissions you will pay them. Additionally, we do not withdraw any funds from your accounts, unless you provide prior written authorization to withdraw only our advisory fees.

Discretion is used in a manner consistent with the stated investment objectives for your account, and only if you have given us written authorization to do so. This authorization is included in the investment management agreement you sign when establishing a client relationship with us.

Voting Proxy Statements for Client Owned Securities

Unless otherwise directed by you in writing, proxies on securities that are managed by Frost Investment Services are voted by us on your behalf. To ensure that our decisions comply with our fiduciary obligations to you, we have adopted policies and procedures reasonably designed to prevent conflicts of interest from influencing our proxy voting decisions. Our contract may permit you to direct the voting of a particular proxy if you choose. Our proxy voting policies and procedures, including information for you on how your securities were voted, are available upon written request to:

Frost Investment Services, LLC
Attention: Chris Neidlinger, Compliance Officer
111 West Houston Street, 16th Floor
San Antonio, TX 78205

We review, and may elect to participate in, class action lawsuits involving securities owned on your behalf.

Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you.