

CLIENT RELATIONSHIP SUMMARY (FORM CRS)



December 18, 2023

Item 1. Introduction

First Command Advisory Services, Inc. ("FCAS") is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). First Command Brokerage Services, Inc. ("FCBS") (Member FINRA, SIPC) is registered with the SEC as a broker-dealer. FCAS and FCBS (together known as "we," "us," or "our") are wholly owned subsidiaries of First Command Financial Services, Inc.

Investment advisory and broker-dealer services and fees differ, and it is important for you to understand the differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

Item 2. Relationships and Services

A. "What investment services and advice can you provide me?"

We provide investment advisory services through FCAS and broker-dealer services through FCBS to retail investors. Below is a summary of these services:

1. **Investment Advisory Services**

As an investment adviser, FCAS provides financial planning services, i.e., its Tailored Professional Services ("TPS") program, and asset management services, i.e., its Asset Management Solutions ("AMS") program.

The AMS program offers two services: the Foundations Investment Program ("Foundations") and the Select Investor Program ("SIP"). The AMS program enables FCAS to provide you with customized investment portfolio options comprised of mutual funds and/or exchange-traded funds ("ETFs"), i.e., model portfolios. Each model portfolio is designed using asset allocation and diversification strategies to help you pursue investment opportunities and manage risk.

The following services are included as part of both Foundations and SIP:

- Asset management consistent with your chosen model portfolio;
- Account statements that will include all investment positions, market values and transactions;
- Annual tax reports for use in preparing federal and state tax returns;
- Online quarterly portfolio performance reports;
- Quarterly economic and market summaries; and
- One-time or periodic third-party distributions upon your written request.

In addition, SIP offers additional diversification (i.e., additional mutual funds, ETFs and asset classes in the model portfolio you select) than is the case for Foundations.

Account Monitoring: If you participate in the AMS program, FCAS will manage and periodically rebalance your account assets consistent with the asset allocation for your chosen model portfolio. FCAS does not monitor AMS accounts on an individual basis. FCAS also will not monitor any other types of accounts, including those held by clients who participate in its TPS program.

Investment Authority: If you participate in the AMS program, you will enter into an Investment Management Agreement whereby you will grant FCAS authority to buy and sell securities in your AMS account without asking for your consent in advance (also known as "discretion"). This authority is valid until rescinded by you and it may only be exercised consistent with your chosen model portfolio and any other restrictions agreed upon by you and FCAS. FCAS will not have any investment authority for any other types of accounts, including those held by clients who participate in its TPS program.

Limits on Investment Advice: FCAS' investment advice is limited to financial planning services (i.e., TPS) and the AMS program only. Also, AMS model portfolios consist of mutual funds and/or ETFs only. FCAS does not offer proprietary investments or engage in principal trading.

Account Minimums and Other Requirements: The minimum initial investment requirement to participate in Foundations is \$20,000 per registration type and is \$50,000 per registration type for SIP. FCAS does not have minimum account size or investment amount requirements to participate in its TPS program.

2. **Broker-Dealer Services**

As a broker-dealer, FCBS recommends and effects securities transactions for you, including buying and selling securities that can be either held in accounts at Pershing LLC, its clearing firm, or held in accounts directly with the issuer of the securities purchased (together known as "brokered accounts").

Account Monitoring: While FCBS will remain available to assist you after effecting a securities transaction for you, it does not monitor brokered accounts.

Investment Authority: FCBS does not have investment authority over brokered accounts, which means that you make the ultimate decision regarding the purchase or sale of investments in your brokered account.

Limits on Product Offerings: FCBS' product offerings include mutual funds, variable annuities, variable life insurance, and Section 529 Plans. FCBS' recommendations will generally be limited to these types of investments only. Some of our Financial Advisors may hold a limited securities representative registration (i.e., a Series 6 securities license), which allows them to make recommendations and effect transactions in these products only.

For mutual fund investments, FCBS will typically make recommendations for new accounts from the following mutual fund families: Fidelity Advisor Funds, Franklin Templeton Investments, Invesco, Ltd, Amundi Pioneer Investments, Massachusetts Financial Services Company, Blackrock, and American Funds. For variable annuities, FCBS will make recommendations for new contracts from the following insurance carriers: Equitable (AXA); Lincoln National Life Insurance Company; Brighthouse Securities, LLC (formerly MetLife). For variable life insurance, FCBS will make recommendations for new contracts from the following insurance carrier: Lincoln National Life Insurance Company.

On a limited basis, FCBS may also effect transactions in individual equities, ETFs or bonds/debt instruments. In these cases, our Financial Advisors will be required to hold a general securities representative registration (i.e., a Series 7 license).

FCBS does not offer proprietary investments or engage in principal trading.

Account Minimums and Other Requirements: FCBS does not have minimum account size or investment amount requirements. However, some of the companies that offer investments you can purchase through FCBS may have minimum investment or other requirements.

B. Additional Information

For additional information regarding our relationship and services, please see FCAS' Description of Services Brochure (Form ADV Part 2A), FCAS' AMS Wrap Fee Brochure (Form ADV Part 2A, Appendix 1A), and FCBS' Regulation Best Interest disclosure. These documents can be found on our website located at www.firstcommand.com.

C. Questions to Ask:

- *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?*

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

A. "What fees will I pay?"

Below is a summary of the fees that you will pay for the above-described investment advisory and broker-dealer services:

1. Investment Advisory Services

Tailored Professional Services: TPS fees will be waived for active-duty military members and their dependents. For clients who do not qualify for this waiver, TPS fees will be charged only after you and your assigned Financial Advisor agree upon the financial planning services to be provided and the amount to be paid for those services. If applicable, you may pay this fee by personal check, credit/debit card or transfer from your First Command Bank account (it will not be deducted from your investments). The fee is negotiable, may be discounted and is based upon your income and investable assets, the complexity of your situation, and the experience and credentials of your assigned Financial Advisor. The fee will be between \$750 and \$6,000 and includes service for a 12-month term. For clients who do not qualify for the waiver, TPS fees present a conflict of interest because FCAS and Financial Advisors have an incentive to charge clients the maximum TPS fee applicable for financial planning services instead of negotiating a lower TPS fee.

AMS Program Fees: If you choose to participate in the AMS program, you will pay a "wrap fee," which includes FCAS' advisory fee as well as costs for execution of securities transactions and other services. The annual wrap fee for Foundations is 1.35% of assets under management ("AUM"). The annual wrap fee for SIP is 1.25% of AUM up to \$250,000 and is reduced for AUM greater than \$250,000 in accordance with the SIP fee schedule.

Foundations accounts will be automatically converted to SIP accounts when they reach AUM of \$50,000 so that they may qualify for a lower annual wrap fee. The wrap fee for AMS accounts is non-negotiable.

Wrap fees are usually higher than advisory fees for non-wrap programs because they include the cost for execution of securities transactions and other services, which are "wrapped" together with the advisory fee. The wrap fee applicable to AMS accounts presents a conflict because it creates an incentive for FCAS to (i) encourage you to increase the assets in your AMS account in order for you to pay FCAS more in wrap fees, and (ii) minimize trading costs in order to retain a higher portion of the wrap fee.

Other Fees and Costs: In addition to the above-described wrap fee, your AMS account will also be subject to:

- The internal expenses of the mutual funds held in your AMS account (e.g., fund operating expenses and management fees);
- The costs and expenses of the ETFs held in your AMS account; (e.g., operating expenses and management fees of the ETF, the Bid-Ask Spread);
- Administrative fees for certain requested services and specific account actions (e.g., stop payment fees, ACAT processing fees, wire fees); and
- Administrative fees for services provided by First Command Bank as IRA custodian for IRA accounts in the AMS program.

FCAS will not hold mutual fund share classes in the AMS program that charge front-end or back-end sales charges or 12b-1 fees. All mutual fund shares held in the AMS program will be purchased at net asset value (NAV). Additionally, FCAS will select the mutual fund share class that has historically experienced the lowest expense ratio from among the share classes that it is eligible to purchase at the model portfolio level. The share class chosen will typically be an institutional or similar share class.

You will not pay any other fees or costs for FCAS' investment advisory services other than those described above.

2. Broker-Dealer Services

For FCBS' broker-dealer services, you will pay each time you trade in your account or make a new investment. This payment is typically called a "commission" or a "sales charge." This kind of payment presents a conflict because it creates an incentive for FCBS to encourage you to trade more and make additional investments so that FCBS can earn more. The commission rate or amount varies, depending on the investment and the size or amount of the transaction. Mutual funds, Section 529 Plans and insurance products bear ongoing fees and expenses, which you pay indirectly because they are factored into the cost of the

investment. Commissions, sales charges, or fees associated with your purchases, if any, are specifically described in the fee schedules, prospectus and other offering documents provided to you.

Below is information about the typical fees and costs you will pay for the types of investment products purchased or traded by FCBS' clients:

Mutual Funds 529 Plans/College Savings Plans ("529 Plans"): You will typically pay an up-front sales charge or load when you buy shares in a mutual fund or 529 Plan, depending on the share class chosen. FCBS will typically recommend the A share-class of most mutual funds and 529 Plans. FCBS also does not recommend no-load mutual funds or no-load 529 Plans. Mutual funds and 529 Plans typically also deduct other ongoing fees and expenses, such as 12b-1 fees, management fees, or servicing fees, from fund and 529 Plan assets.

Insurance Products: When you purchase an insurance product like a variable annuity or variable life policy, you will indirectly pay a commission, which is factored into the ongoing costs and fees of the insurance and is paid by the issuing insurance company to FCBS and/or our affiliate, First Command Insurance Services, Inc., an insurance general agent. Your insurance purchase will also be subject to ongoing costs and fees, including mortality and expense risk charges, administrative charges, cost of insurance charges (in the case of variable life) and operating expenses of the underlying funds in which contract value is invested. You may also pay a surrender charge when you withdraw funds or surrender your insurance product.

ETFs: You will pay a commission when you buy or sell shares in an ETF. ETFs also deduct other fees and expenses from ETF assets, such as the operating expenses and management fees of the ETF and the Bid-Ask Spread. As discussed above, FCBS will effects trades in ETF shares on a limited basis only.

Equities: You will pay a commission when you buy or sell an equity, such as a stock of a publicly traded company. As discussed above, FCBS offices effects trades in equities on a limited basis only.

Bonds/Debt Instruments: You will pay a commission when you buy or sell a bond, such as a corporate, government, or municipal bond. As discussed above, FCBS offices effects trades in bonds on a limited basis only.

Other Fees and Costs: You will also pay administrative fees for certain requested services and specific account actions (e.g., stop payment fees, ACAT processing fees, wire fees) in your brokered account. If you own an IRA account within a brokered account, you will also pay administrative fees for services provided by the IRA custodian. (First Command Bank serves as the IRA custodian for AMS accounts and FCBS brokered accounts held at Pershing LLC.) These fees will vary depending on whether your brokered account is held at Pershing LLC or directly with the issuer of the securities purchased.

3. **Additional Information**

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 regarding our fees and costs, please see FCAS' Description of Services Brochure (Form ADV Part 2A), FCAS' Asset Management Solutions Wrap Fee Brochure (Form ADV Part 2A, Appendix 1A), FCBS' Brokerage Fee Schedule, and FCBS' Regulation Best Interest disclosure. These documents can be found on our website located at www.firstcommand.com.

4. **Questions to Ask**

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?

B. **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?**

The SEC requires that FCAS follow a "fiduciary" standard of conduct under the Investment Advisers Act of 1940 when providing you services as an investment adviser, and that FCBS follow a "best interest" standard of conduct under Regulation Best Interest when providing you services as a broker-dealer. In either case, **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 to you. Here are some examples to help you understand what this means:

1. **Investment Advisory Examples**

When you invest in FCAS' AMS program, FCAS is paid based on the assets in your account. Therefore, the more assets there are in your AMS account, the more you will pay in wrap fees, so FCAS has an incentive to encourage you to increase the assets in your AMS account. FCAS also retains a greater portion of the wrap fee if it minimizes trading costs in the AMS program, so it has a conflict because it is encouraged to minimize trading costs in order to retain a higher portion of the wrap fee. In order to address these conflicts, FCAS maintains policies and procedures to ensure that any advice provided to you is in your best interests.

Here is an additional example of an incentive created by certain payments FCAS receives:

Reimbursements. Some of the distributors for the mutual funds or ETFs available in AMS program will reimburse FCAS for training and education events for our Financial Advisors or clients. These payments create an incentive for FCAS to select those mutual funds or ETFs as investments for the AMS program. Additional information related to these payments is available in FCAS' Wrap Fee Brochure (Form ADV Part 2A, Appendix 1).

2. **Broker-Dealer Examples**

Because FCBS is paid when you trade in your account or make a new investment, FCBS has an incentive to encourage you to trade more and make additional investments. This creates a conflict of interest for FCBS because of the incentive to encourage more trading and additional investments. In order to address these conflicts, FCBS maintains policies and procedures to ensure that any recommendations made to you are in your best interests.

Here are additional examples of incentives created by some of the payments FCBS receives:

Third-Party Payments. When FCBS sells an investment fund or product to you, it receives payments from the issuer and their sponsors or managers, and it may also receive ongoing payments, such as 12b-1 fees, from them. These payments create an

incentive for FCBS to sell you investments that entail such payments and to maintain FCBS' relationships with the issuer and their affiliates. Since the amount of compensation FCBS receives varies among and between the issuers and the different investments and types of investments that FCBS offers, FCBS has an incentive to sell you those investments that pay it more compensation.

Revenue Sharing. In addition to the third-party payments discussed above, some of the distributors for the mutual funds FCBS recommends make payments to it that are called "revenue sharing" because they share with FCBS a part of the revenue that they earn on your investments in their funds or products. These payments typically range from 0.01% to 0.15% of net assets invested and/or fund sales and vary depending on the distributor. These payments are an incentive for FCBS 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.

Reimbursements. Some of the distributors for the mutual funds or ETFs FCBS recommends will reimburse FCBS for training and education events for our Financial Advisors or clients. These payments create an incentive for FCBS to select the mutual funds or ETFs that offer such reimbursement.

Additional information related to these payments is available in FCBS' Regulation Best Interest disclosure.

3. Questions to Ask

How might your conflicts of interest affect me, and how will you address them?

4. Additional Information

For additional information regarding our conflicts of interest, please see FCAS' Description of Services Brochure (Form ADV Part 2A), FCAS' AMS Wrap Fee Brochure (Form ADV Part 2A, Appendix 1A), and FCBS' Regulation Best Interest disclosure. These documents can be found on our website located at www.firstcommand.com.

C. How do your financial professionals make money?

FCAS pays our Financial Advisors a portion of the investment advisory fees it receives and FCBS pays our Financial Advisors a portion of the brokerage commissions it receives. As noted above, the advisory fees FCAS receives generally vary based on the investment advisory service you select, and the brokerage commissions FCBS receives generally vary based on the products you purchase and sell. The portion of the commissions or fees we pay to our Financial Advisors also varies among Financial Advisors depending on various factors, including the aggregate amount of investment advisory fees and brokerage commissions that the Financial Advisor receives. We also count the receipt of investment advisory fees and commissions toward certain qualifying rewards for Financial Advisors, including trips and awards. Compensation and rewards programs create incentives for our Financial Advisors to:

- increase AUM in the AMS program as an associated person of FCAS; and
- sell more products as a registered representative of FCBS and sell products that pay higher commissions than others in order to qualify for a higher portion of investment advisory fees and commissions and increased rewards.

In the case of certain mutual funds and other products, the issuer or the sponsor provides our Financial Advisors other benefits considered to be non-cash 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. The receipt of these benefits and payments presents a conflict because they create an incentive for our Financial Advisors to recommend those investments or funds whose issuers or sponsors offer such non-cash compensation.

As discussed above, in order to address these conflicts, we maintain policies and procedures to ensure that any advice or recommendations made to you are in your best interests. The above-described conflicts of interest, and the policies and procedures to mitigate or eliminate such conflicts, are described in more detail in FCAS' Description of Services Brochure (Form ADV Part 2A), FCAS' AMS Wrap Fee Brochure (Form ADV Part 2A, Appendix 1A), and FCBS' Regulation Best Interest disclosure. These documents can be found on our website located at www.firstcommand.com.

Item 4. Disciplinary History

A. "Do you or your financial professionals have legal or disciplinary history?"

Yes. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

B. Questions to Ask

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

Item 5. Additional Information

For additional information about FCAS' investment advisory services or FCBS' broker-dealer services, please visit www.firstcommand.com. You can request a copy of this Client Relationship Summary (Form CRS) by contacting your assigned Financial Advisor or writing to our Home Office at 1 FirstComm Plaza, Fort Worth, TX 76019, Attn. Legal and Compliance Department. You can also call us at 800.443.2104 to request up-to-date information and request a copy of this Client Relationship Summary (Form CRS).

A. Questions to Ask

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?