

# DESCRIPTION OF SERVICES BROCHURE

## FORM ADV PART 2A BROCHURE



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This brochure provides information about the qualifications and business practices of First Command Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at 800.443.2104 (or, if overseas, 817.731.8621). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about First Command Advisory Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

First Command Advisory Services, Inc. is an SEC-registered investment adviser. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

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# FORM ADV PART 2A: FIRM BROCHURE

## A. OUR ADVISORY BUSINESS

### 1. Who We Are

First Command Advisory Services, Inc. (“FCAS”, “we”, “us” or “our”) and its affiliated entities have been serving American families since 1958. FCAS is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended (“Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

FCAS will work with both third parties (hereinafter, “Non-Affiliated Companies”) and FCAS’s Affiliated Companies (each, an “Affiliated Company”) to provide the services for each Advisory Program. FCAS and the Affiliated Companies referenced herein are wholly owned subsidiaries of First Command Financial Services, Inc. (“FCFS”). FCFS is 100 percent owned by the First Command Employee Stock Ownership Plan. The applicable FCAS Affiliated Companies include:

- First Command Brokerage Services, Inc. (“FCBS”), an SEC registered broker-dealer (member SIPC, FINRA).
- First Command Insurance Services, Inc. (“FCIS”), an insurance general agent;
- First Command Bank (“FCB”), a federally chartered savings and loan bank (member FDIC); and
- First Command Europe Ltd. (“FCEU”), an authorized investment services provider regulated by the Financial Conduct Authority.

All references to “client”, “you” and/or “your” in this brochure refer to prospective and existing clients of FCAS. References to “we,” “us” or “our” refer to FCAS.

### 2. Our Investment Advisory Services

In our capacity as an investment adviser, we offer financial planning services, asset management services, and other investment advisory services to individuals and entities.

We embrace time-tested financial principles, advocating a disciplined, long-term approach to saving and investing, supported by strategies to manage financial risk. Through our commitment to providing face-to-face financial coaching at every stage of our clients’ professional and personal lives, we have established lasting relationships with hundreds of thousands of client families. We are committed to helping our clients plan confidently for the future and accompanying them on their financial journeys. We believe in offering our clients personal face-to-face service, whenever possible, through our investment adviser representatives (“First Command Financial Advisor” or “Financial Advisor”).

These services and fees are described in further detail below and in the Wrap Fee Brochure for the applicable Advisory Program. Further fees related to brokerage services and custodial fees are detailed in the FCBS Fee Schedule.

### 3. Financial Planning Services

FCAS offers complimentary financial planning services to active-duty service members and to others at FCAS’s discretion. Financial Advisors can also provide complimentary financial planning services to clients enrolled in an Advisory Program, at the Financial Advisor’s discretion. Clients who qualify for complimentary financial planning services are encouraged to request such services from Client’s Financial Advisor.

For individuals who request financial planning services who do not qualify to receive such services on a complimentary basis or have more complex financial planning needs, FCAS, through its Financial Advisors, also offers personalized financial planning services for a fee through a program called Tailored Professional Services (“TPS” or “TPS Program”). Clients who are interested in enrolling in the TPS Program are encouraged to speak with your Financial Advisor.

The following services are included as part of financial planning services, whether complimentary or through the TPS Program:

- A written financial plan with recommendations and strategies for cash management (banking), wealth accumulation and management (investing), and risk management (insurance) during your initial term of service.
- An updated written financial plan for a material change to your circumstances you report to your Financial Advisor.
- Reasonable personal or telephone access to the Advisor for continued financial advice.
- Access to First Command's web features.
- Periodic financial reviews or "progress meetings" with your Financial Advisor within the Service Period.
- When appropriate, and with your consent, bringing together other professionals independent of FCAS to augment the TPS Program. Such outside professionals may include a CPA/accountant, tax analyst, estate planner, attorney, real estate specialist and/or financial product specialist.

Please note that FCAS and its Affiliated Companies do not provide legal or tax advice and the TPS fee does not cover fees that may be charged and billed separately by other professionals.

In order to provide you with the financial planning services, whether complimentary or through the TPS Program, our Financial Advisors will gather detailed information from you to determine your existing financial condition, attitudes, goals, risk tolerance, and planning horizon. We rely on you to provide us with your complete financial situation, goals and needs, as well as any updates to your situation. Any financial plan and/or other financial planning recommendations prepared for you will address your current financial circumstances and goals and will be based on the information you provide on questionnaires, documents, and during interviews and meetings with your Financial Advisor. We will work collaboratively with you and encourage you to be an active participant in all discussions related to the financial planning services we provide you.

In addition to providing you with financial planning services, you may also receive recommendations to establish investment accounts through FCAS and/or an Affiliated Company for specific products and services that are separate from the financial planning services provided to you. Financial planning services, whether complimentary or through the TPS Program, do not include implementation of any recommendations or monitoring account(s) incorporated in a financial plan that is created for you. These services solely include the provision of a general financial plan and not the implementation of securities, other investments, insurance products or investment strategies.

FCAS may make recommendations to you for transactions in brokerage accounts or for brokerage products through FCBS. FCBS's product offerings include mutual funds, exchange traded funds, variable annuities, variable life insurance, and Section 529 Plans. If you establish a brokerage account or purchase brokerage products through FCBS, you will pay commissions when you make a new investment in a brokerage product or when you trade in a brokerage account.

FCAS may recommend you obtain investment advisory services through an FCAS Advisory Program. Should you enroll in a FCAS offered Advisory Program, you will pay investment advisory fees for the investment advice provided by FCAS ("Advisory Fee").

FCAS may recommend you obtain insurance products and services. No part of the Advisory Fee charged to you is for recommendations or other advice related to insurance. You will pay commissions when you purchase insurance products through FCIS.

Any recommendations for banking products and services will be provided by FCB.

When you obtain financial planning services through FCAS, you determine whether to implement any of the recommendations provided to you and you are under no obligation to purchase any product or service through FCAS and/or its Affiliated Companies. Your Financial Advisor must be appropriately licensed to offer the recommendations provided in connection with the financial planning services. Risk is inherent in investing; therefore, we do not guarantee future financial results as a result of implementing any of the recommendations we make to you.

You may elect to implement any of the recommendations provided to you in whole or in part through FCAS and/or any of its Affiliated Companies. If you elect to implement any of the recommendations provided to you, then you are

responsible for all fees and expenses incurred in connection with the implementation of a financial plan (such as Advisory Fees and/or commissions and expenses related with brokerage or insurance products). You will receive appropriate disclosures documenting an agreement describing the nature and extent of the services provided by FCAS or its Affiliated Companies and the applicable fees charged for those services. The fees charged by FCAS or its Affiliated Companies such as Advisory Fees charged by FCAS in connection with the implementation of a financial plan are in addition to the fees incurred by you for the TPS Program and in connection with the formulation of a financial plan (if applicable). The purchase of products and services offered through FCAS and/or its Affiliated Companies result in reasonable and customary compensation in the form of Advisory Fees or commissions (depending on the product or service) which are shared between the applicable First Command entity and your Financial Advisor.

As noted, if you purchase investment advisory services or securities or insurance products provided, issued, sponsored, advised, underwritten, distributed by, or otherwise obtain additional services offered by us or an Affiliated Company, we and/or the Affiliated Company will receive additional revenue. This creates a conflict of interest for your Financial Advisor when acting as a registered representative, investment adviser representative and/or insurance agent to recommend products and services based on the compensation received by us and/or our Affiliated Companies, rather than solely based on your needs. To help mitigate this conflict of interest, the recommendations made by our Financial Advisors when acting as a registered representative, investment adviser representative and/or insurance agent are reviewed to ensure the recommendations are appropriate and consistent with the interests of our clients. In addition, the compensation paid to the Financial Advisors when acting as registered representatives, investment adviser representatives and/or insurance agents is periodically reviewed to ensure compliance with applicable law and to prevent compensation incentives from causing inappropriate recommendations to be made.

#### **4. FCAS's Advisory Program ("Advisory Program")**

##### **i. Asset Management Solutions® (AMS) Program**

FCAS is the sponsor and investment adviser which offers and administers the Asset Management Solutions ("AMS") program. Our services are provided to you through First Command Financial Advisors. As a "wrap fee program," the program provides investment advisory services, brokerage, and non-IRA custody services for a single, inclusive fee (i.e., wrap fee). To enroll in the AMS program, you will be required to complete our new account paperwork establishing an account and agree to our Investment Management Agreement ("IMA"), which contains additional terms and conditions governing your AMS account and your relationship with us.

If you desire to hire FCAS through our AMS program, your Financial Advisor will provide you with a copy of our Wrap Fee Brochure which, in addition to this brochure, further explains the AMS program, including, but not limited to, details about fees (including Advisory Fees), features of FIP and SIP programs, and the members of the IMT.

FCAS and your Financial Advisor will each share a portion of the Advisory Fee charged to you for your participation in the AMS program.

##### **ii. Overview of the AMS Program**

The AMS program offers two services: the Foundations Investment Program ("Foundations" or "FIP") and the Select Investor Program ("SIP"). The AMS program enables the FCAS's Investment Management Team ("IMT") to provide you with investment portfolio options ("Model Portfolios") composed of mutual funds and/or exchange-traded funds ("ETFs"). The IMT determines which mutual funds and/or ETFs to include in the Model Portfolios and it will periodically adjust and rebalance Model Portfolio investments to remain consistent with each Model Portfolio's investment strategies. FCAS does not monitor AMS accounts on an individual basis, and it does not monitor any other types of non-advisory accounts, including, but not limited to, brokerage accounts.

Each Model Portfolio in FIP and SIP is designed to align with a client's particular risk profile, which is used by the IMT to set the initial asset allocation. This practice attempts to limit risk to clients by investing among a range of different mutual fund and ETF asset classes in Model Portfolios. Any modifications the IMT makes to the Model Portfolios are effected through the sale of securities in your account, which may have tax ramifications for you. For

some Model Portfolios, municipal bond fund options are available.

While both FIP and SIP receive the same level of IMT due diligence and oversight, including ongoing account monitoring and rebalancing, the two programs differ in asset class scope and fund selection. FIP Model Portfolios consist exclusively of passively managed ETFs and are optimized using only stocks, bonds, and cash to provide a more streamlined, core offering focused on minimizing internal expenses and slightly improved tax efficiency. SIP Model Portfolios invest in a combination of both passively and actively managed ETFs and mutual funds and provide exposure to broader diversification through the inclusion of real assets (real estate, natural resources, etc.). This broader asset class scope also allows the IMT to optimize the portfolio with regards to various sector and factor exposures and increase the IMT's capacity to make tactical adjustments to the portfolio when deemed prudent.

### **iii. Services Provided**

The following services are included as part of FIP and SIP:

- Asset management;
- 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. A signature guarantee may be required.

In addition to the above services, SIP accounts also allow you to take advantage of additional diversification (i.e., mutual funds, additional ETFs and a wider spectrum of asset classes) in the Model Portfolio you select.

### **iv. Fees and Compensation**

The following fees and compensation are applicable to AMS program accounts:

#### **Wrap Fees**

A wrap fee program generally involves an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses. First Command charges you a wrap fee for the day-to-day asset management, costs for execution of securities transactions and oversight of your AMS account. The wrap fee for the AMS program is also referred to as an Advisory Fee. The Advisory Fee is based on a percentage of the value of your account, rather than upon transactions in your account. The Advisory Fee is non-negotiable.

Advisory Fees are assessed monthly in advance based on the previous month's ending balance of assets under management in your account. Advisory Fees will be deducted from your account assets when due.

In the event any deposits and/or withdrawals (netted) equal or exceed \$10,000 (in market value on an absolute basis) on any business day in an account, an interim, prorated Advisory Fee will be charged or refunded (as applicable) to the account. This is commonly referred to as flow or interim billing and is only applicable on an account-by-account basis (not aggregated with other related accounts). Each interim, prorated Advisory Fee is assessed in the month following the receipt/payment of the deposits/withdrawals (netted) and is based on the number of days remaining in the current billing period.

FCAS advisory services may be terminated via notice at any time by either the client or FCAS and, following the receipt of a notice of termination, the client will be issued a prorated refund of paid Advisory Fees, based upon the number of days from the termination date through the end of the then-current fee period. A refund, if any, is paid the month following the termination date.

## Advisory Management Services (AMS) Annual Advisory Fee Schedule

The annual AMS Advisory Fee charged for FIP and SIP are the same and are calculated as shown in the below AMS Fee Schedule:

New AMS Fee Schedule (10/1/2024)	
Value of Account Assets	Annual Management Fee
\$0 - \$250,000	1.30%
\$250,001 - \$500,000	1.15%
\$500,001 - \$1 million	1.00%
\$1,000,001 - \$2 million	0.75%
Over \$2 million	0.50%

We will aggregate assets you have in FIP or SIP for purposes of qualifying for a lower Advisory Fee. Assets may be aggregated regardless of whether you participate only in FIP, only in SIP, or any combination of FIP and SIP. If you participate in any combination of FIP, or SIP, the Advisory Fee will be calculated using a blended fee structure. We will: (1) first calculate the Advisory Fee that would result if all assets were held in each program; (2) and then determine the percentage of assets held in each program relative to total qualifying assets within the AMS program; and (3) apply the percentage realized for each program in step '(2)' to the Advisory Fee determined for that program in step '(1)' to arrive at the total blended Advisory Fee.

We reserve the right to maintain prior Advisory Fee schedules for existing clients and to offer fee discounts to our employees or employees of our Affiliated Companies.

### Other Fees, Expenses and Costs Outside the AMS Advisory Fee

**Fees for Certain Requested Services and Specific Account Actions.** All securities and brokerage transactions in the AMS program are effected by FCBS as an introducing broker-dealer. As described above, you will not pay a separate fee for transaction costs or expenses incurred in your account (i.e., commissions, ticket charges, etc.), but you will pay additional fees as detailed below.

FCBS incurs certain fees pursuant to its clearing relationship with Pershing LLC ("Pershing") related to processing requested services and facilitating specific administrative actions for your AMS account. Pershing is the firm that is responsible for custodianship of assets and clearance and settlement of all trades within the AMS program.

These fees are passed along to you after being adjusted to take into account FCBS's compensation for assisting with the service or action. FCBS execution costs and additional services requests will incur additional fees pursuant to the FCBS Fee Schedule. If you have not received a copy of the FCBS Fee Schedule, contact your Financial Advisor or FCAS at the contact information provided on the cover page of this brochure.

FCBS, at its discretion, marks up the various fees (detailed in the FCBS Fee Schedule) assessed by Pershing and paid by clients. FCBS decides how much and which fees will be marked up. Not all brokerage firms mark up these or other fees. The mark up on these fees generates additional revenue for FCBS. Markups on these types of fees are a conflict of interest because FCBS earns additional revenue from these fees. Certain fees, for example, are avoidable if clients elect e-Delivery of certain account-related documents. The actual fees and charges that clients will incur are dependent upon the type of account and the nature and quantity of the transactions that occur, the services provided, or the positions held in the account.

FCBS shares its IRA Custodial fees with FCB and Pershing in consideration for the services provided by these entities to support FCB as the IRA custodian and Pershing's clearing role and tax reporting to the Internal Revenue Service. This conflict of interest is mitigated as neither FCAS or your Financial Advisor receives any portion of the IRA custodial fees.

## **Compensation to Your Financial Advisor**

FCAS and your Financial Advisor will each receive a portion of the Advisory Fee. Other fees you may incur as discussed in this Brochure related to your AMS account, i.e., fees included in the FCBS Fee Schedule, are not shared with your Financial Advisor, and, as such, your Financial Advisor does not consider such fees when deciding what to recommend to you. Financial Advisors receive a portion of the Advisory Fee for consultation and other services to you with respect to the AMS program. The amount of this compensation may be more than your Financial Advisor would receive if the client participated in other FCAS programs or paid separately for investment advice, brokerage, and other services. Your Financial Advisor therefore may have a financial incentive to recommend the wrap fee program over other programs or services. The amount paid to your Financial Advisor will generally be less than if you had purchased the same investments outside the program and paid a sales charge or brokerage fee. However, for assets remaining in the program for the long term, your Financial Advisor's compensation may be more than if you had purchased the funds outside the program.

## **Choosing Mutual Funds and ETFs to Hold in the AMS Program**

The IMT, on a fully discretionary basis, will choose mutual funds and ETFs for AMS Model Portfolios from certain lists of funds that are available on Pershing's platform. The IMT will always choose mutual funds and ETFs for inclusion in an AMS Model Portfolio consistent with what serves our clients' best interests.

When the IMT conducts a search for a new mutual fund or ETF for inclusion in AMS Model Portfolios, it will narrow down the applicable investment universe to a short list of mutual funds or ETFs that are equally suitable and recommendable. There may be times when mutual funds or ETFs on this short list are from FCAS's "Primary Fund Families." The Primary Fund Families are large national mutual fund families, with established risk management departments, that offer numerous funds to address the spectrum of client investment horizons and risk profiles. Each have exhibited stability over time and careful attention to designing mutual fund products that support a long-term investment strategy that is a feature of FCAS's investment philosophy for meeting client needs (as explained in the ADV Part 2A Description of Services Brochure).

In these situations, the IMT will give preference to and select a mutual fund or ETF from one of the Primary Fund Families. This creates a conflict of interest because these Primary Fund Families give FCBS money and benefits in exchange for consideration and meetings to discuss investments into their funds. This conflict is mitigated because FCAS does not use the benefits conferred to FCBS by the Primary Fund Families as a factor in the IMT's selection of funds. If a mutual fund or exchange traded fund that is not from one of the Primary Fund Families is more suitable and recommendable, the IMT will select that mutual fund or exchange traded fund instead. Further, FCAS may limit the percentage of ETFs in an individual's asset allocation model to 35% of the total portfolio. This limitation is based on the clearing and custodial agreement between Pershing and First Command's affiliated broker-dealer, FCBS. This 35% limitation is designed to limit the costs of administering the AMS program. In addition, certain mutual funds and ETFs may impose short-term redemption fees for redemptions of funds that occur prior to the specified period as outlined in the prospectus. This fee, if applicable, is withheld by the fund company upon liquidation of the fund position and is separate from other fees associated with either the fund or the AMS program.

The IMT will not consider revenue sharing, cost reimbursements, or any other type of compensation when determining which mutual funds or ETFs to purchase. The IMT is not provided with this information and does not consider it a factor in its analysis. The IMT does not choose funds that have transaction fees or surcharge fees associated with the funds, which may lead the IMT to select a share class that does not have the lowest expense ratio. FCAS does not receive any revenue from using mutual funds or ETFs available through Pershing's platform.

Pershing also offers FCAS access to its No Transaction-Fee ("NTF Program"). As part of the NTF Program, FCAS is charged redemption fees for NTF funds, which Pershing generally rebates to FCAS. Whether or not the redemption fees are rebated by Pershing, FCAS does not charge the client for purchases and sales of certain mutual funds available on Pershing's platform. These funds may include mutual funds that participate in Pershing's NTF Programs, e.g., FundVest® Focus and FundVest® Institutional mutual funds, as well as non-FundVest® mutual funds. The IMT will only select mutual funds and ETFs that do not have transaction fees or surcharge fees associated with the funds. Instead of charging a transaction fee, these funds generally have higher internal fees and expenses than a similar, non-NTF Program fund. Such fees and expenses negatively impact the performance of the fund over time. Depending on how long you remain invested in a fund that participates in the NTF Program,



you may pay more in fees than you would if you had invested in a non-NTF Program fund, even though there was no transaction charge on the purchase. Higher internal expenses will reduce investor returns. FCAS will not be charged transaction fees for buying and selling mutual funds in the NTF programs and this presents a conflict of interest. Not paying transaction fees for certain mutual funds that participate in the NTF Program presents a conflict of interest because it reduces FCAS's costs for administering the AMS program and increases FCAS's revenue for the AMS program. However, these reduced costs will not be used as the sole determining factor for the selection of mutual funds for the AMS program and will not override other qualitative and quantitative metrics discussed above.

While FCAS strives to utilize the lowest cost share class available (without a surcharge) through Pershing, there may be other less costly share classes offered by a fund that are 1) not available for use by FCAS due to constraints imposed by the terms of the fund's prospectus, 2) not available on the Pershing platform, and/or 3) subject to other conditions or restrictions that make utilizing such share class unreasonable, costly or prohibitive. A conflict of interest exists in those limited situations in which FCAS elects to utilize a share class more costly to the client, than the lowest cost share class available at Pershing, in order to avoid a custodian-imposed surcharge.

FCAS participates in regular due diligence meetings with representatives of the Primary Fund Families that allows Financial Advisors to receive the most up-to-date information about the investment products offered. This close business relationship allows FCAS to directly work with the fund managers and administrators to address client concerns and needs. FCAS also meets with fund managers to address more general questions about a fund's performance over time, and this information inures to the benefit of FCAS clients generally. Financial Advisors generally have a greater degree of familiarity with investment products from the Primary Fund Family partners: Invesco, Fidelity Advisor, Amundi Pioneer, Franklin Templeton, and Blackrock. The Primary Fund Family partners also pay FCBS revenue sharing for mutual fund assets held in brokerage accounts. They do not, however, pay any revenue sharing for mutual fund assets held in AMS accounts. Some Primary Fund Families will also sponsor or offer reimbursement for costs related to training, education and other events for our Advisors and clients and/or pay marketing support services fees to FCBS.

### **Choosing Mutual Fund Share Classes**

The IMT strives to choose the share class that serves our clients' best interests. The appropriate share class will be chosen from among share classes for which the AMS Model Portfolios are eligible, after considering the underlying expense ratio, transaction fees, and redemption fees of the share class. FCAS will generally select the share class that does not charge transaction or surcharge fees and has historically experienced the lowest expense ratio from among the share classes that it is eligible to purchase. Typically, the share class chosen will be an institutional or similar share class. In certain instances, a lower cost share class may be available, but FCAS may be ineligible to purchase such share class due to the requirements of the mutual fund or the mutual fund's distribution guidelines or because a lower cost share class would charge transaction or surcharge fees, and this would cause FCAS's overall expenses for administering the AMS program to increase. You may be eligible to purchase such lower cost share classes outside of the AMS program.

All accounts managed in accordance with an AMS Model Portfolio will use the same share class. The IMT will select the most appropriate share class that all clients utilizing an AMS Model Portfolio are eligible to purchase instead of selecting the share class based on individual accounts. As such, there may be a share class for a particular mutual fund that experiences lower expenses than the share class selected for such fund to be held in AMS client accounts. For similar reasons, you may be eligible to purchase certain share classes for a particular mutual fund outside of the AMS program that may experience lower expenses than the share class used for such fund in the AMS program.

### **Investment Management Platform**

FCAS maintains an agreement, expiring October 1, 2024, with Pershing LLC's ("Pershing") affiliate, Lockwood Advisors, Inc. ("Lockwood"), an SEC registered investment adviser and broker-dealer, to assist FCAS with the performance of specific managed account services in its Advisory Program. Through this arrangement, Lockwood provides FCAS with access to Lockwood's proprietary technology solutions, which aids FCAS in the management of the Advisory Program. In addition, Lockwood performs certain operational services for FCAS including, but not limited to, trading in client accounts; account reviews; model maintenance and creation; fee billing; account reconciliation; performance reporting; information systems training; branding services; money market program; and an ETF asset program (collectively, the "Investment Management Platform Services"). FCAS pays Lockwood for

the Investment Management Platform Services, which are an expense incurred by FCAS for administering the Advisory Program.

The fees charged by Lockwood for the Investment Management Platform Services are based on the total aggregate asset value of Clients' assets serviced by Lockwood in the Advisory Program. Lockwood's fees are based on a tiered schedule where certain breakpoints (or reduced fees) are available to FCAS when the total aggregate assets in the Advisory Program reach different tiers are reached. This cost structure is a conflict of interest because it incentivizes FCAS to recommend clients' assets be held in the Advisory Program because it will reduce FCAS's costs for Lockwood's Investment Management Platform Services in connection with administering the AMS program. It is also a conflict of interest because FCAS is incentivized to recommend that you increase your investment in your account, as that allows FCAS to pay lower fees for Lockwood's Investment Management Platform Services (until termination on October 1, 2024). This conflict is mitigated by FCAS's AMS Fee Schedule which reduces the fee percentage charged to the Client based on a client's assets within the Advisory Program.

Beginning October 1, 2024, FCAS will no longer utilize Lockwood for its Investment Management Platform Services described above, as FCAS has entered into an agreement with Envestnet Asset Management, Inc. ("Envestnet") whereby Envestnet (by and through its affiliates) will provide FCAS with its Investment Management Platform Services, which are similar to Lockwood's Investment Management Platform Services and also introduces new capabilities for managing client accounts in the Advisory Program. Envestnet will offer certain services through an integrated third-party service and technology provider, which provides various administrative, investment advisory, investment management, model portfolio management, overlay management, tax overlay services, investment and manager due diligence, research, reporting, trade implementation, compliance monitoring, operational support, and/or other services. Envestnet is not a tax advisor, nor does it provide any tax advice, and clients should consult their tax consultant prior to electing the tax overlay service offered by Envestnet. For a complete description of Envestnet's services, please refer to Envestnet's Form ADV Part 2A and Form Part 2A Appendix 1, which is *available at* <https://www.investpmc.com/ADVPart2A>, or you can request these documents from FCAS or your Financial Advisor at any time and free of charge.

The fees charged by Envestnet for its Investment Management Platform Services, beginning October 1, 2024, are based in part on the total aggregate asset value all client assets serviced by Envestnet. These fees are based on a tiered schedule where if certain breakpoints are met for the total aggregate assets, the applicable fees for the Investment Management Platform Services (expressed in basis points) are reduced. This cost structure is a conflict of interest because it incentivizes FCAS to recommend client assets be held in the Advisory Program because it will reduce FCAS's costs for Envestnet's Investment Management Platform Services in connection with maintaining the Advisory Program. It is also a conflict of interest because we have an incentive to recommend that you increase your investment in your account, as that allows FCAS to pay lower fees for Envestnet's Investment Management Platform Services on and after October 1, 2024. This conflict is mitigated by the AMS Fee Schedule which reduces the fee percentage charged to the client based on the client's assets within the Advisory Program, AMS.

Envestnet's operational cost is more expensive for FCAS than the agreement FCAS has with Lockwood. The increase in the AMS Advisory Fees is partly to cover the difference in FCAS's operating costs incurred by using Envestnet instead of Lockwood. The increase in revenue FCAS will realize under the new AMS Fee Schedule exceeds the increase in FCAS's operating costs for Envestnet. This creates a conflict of interest as further described in the Brochure. This conflict is mitigated by the significant increase in capabilities Envestnet provides to FCAS and its clients, including but not limited to the ability to generate custom reports, improved customer service, and the opportunity to develop and offer additional advisory programs in the future.

#### **Assets Under Management**

As of June 30, 2024, FCAS manages 20.8 billion on a discretionary basis as part of its AMS program.

#### **Investment Management Agreement Required**

In order to obtain financial planning services without also opening an account in the Advisory Program, you will need to sign a separate agreement specifically for the TPS Program. To obtain investment advisory services from FCAS, you will be required to enter into an agreement for those services (commonly referred to as the "Investment Management Agreement" or "IMA"). The IMA is designed to clearly define the roles and responsibilities between FCAS and you.

FCAS may update its service offerings and Advisory Program(s) from time-to-time. FCAS may amend the IMA if we give you written notice of such amendment and you do not object to the amendment within thirty (30) days after we send such notice to you. We will send such notice by U.S. mail to your last known address of record, or electronically deliver the notice to you if you have agreed to receive documents and information under the IMA electronically. After FCAS sends notice of an amendment to you, you will have thirty (30) days from delivery of the amendment to respond in writing that you either consent to or do not consent to the amendment. The notice of the amendment will contain instructions on how to respond. If you do not respond by the end of the thirty (30) day period or continue to receive our investment advisory services after the thirty (30) day period, you will be deemed to have consented to the amendment. While you may consent to or not consent to any amendment We seek to make to the IMA, if you choose not to consent to any such amendment, we will terminate the IMA in accordance with its terms. **Existing investment advisory clients who choose to take advantage of a new Advisory Program in the future may be required to sign a new IMA.**

## **B. FEES AND COMPENSATION**

Our fees and compensation for the above-described investment advisory services are as follows:

### **1. Advisory Program Related Fees and Compensation**

If you desire to participate in our AMS Program, your Financial Advisor will provide you with a copy of our ADV Part 2A Appendix 1 Wrap Fee Brochure (“Wrap Fee Brochure”) which, in addition to this brochure, further explains, in detail, the fees and related compensation for the AMS program.

The AMS Fee Schedule for the AMS Program is provided in the Wrap Fee Brochure for the AMS Advisory Program. The AMS Fee Schedule provides the Advisory Fee, which is based on a percentage of the value of your account, rather than upon transactions in your account. These fees are non-negotiable. FCAS reserves the right to maintain prior fee schedules for existing clients and to offer fee discounts to our employees or employees of our Affiliated Companies.

Advisory Fees are assessed monthly in advance based on the previous month’s ending balance of assets under management in your account. Fees will be deducted from your account assets when due.

In the event any deposits and/or withdrawals (netted) equal or exceed \$10,000 (in market value on an absolute basis) on any business day in an account, an interim, prorated Advisory Fee will be charged or refunded (as applicable) to the account. This is commonly referred to as flow or interim billing and is only applicable on an account-by-account basis (not aggregated with other related accounts). Each interim, prorated Advisory Fee is assessed in the month following the receipt/payment of the deposits/withdrawals (netted) and is based on the number of days remaining in the current billing period.

FCAS advisory services may be terminated via notice at any time by either the client or FCAS and, following the receipt of a notice of termination, the client will be issued a prorated refund of paid Advisory Fees, based upon the number of days from the termination date through the end of the then-current fee period. A refund, if any, is paid the month following the termination date.

### **2. Fees and Compensation Related to Brokerage, Insurance, and Banking Products**

Your Financial Advisor is also a registered representative of FCAS’s affiliated broker-dealer, FCBS, and a licensed insurance agent with FCIS. Financial Advisors are also compensated for the sale of FCBS brokerage products (including fees from the sale of mutual funds and/or ETFs), FCIS insurance products, and, in limited circumstances, FCB banking products. Your payments to FCBS, FCIS, Financial Advisors and/or FCIS insurance agents by and through our Affiliated Companies creates conflicts of interest. The types of payments described in this disclosure brochure are common in the broker-dealer, investment adviser, insurance, and banking industries.

Because your Financial Advisor serves in multiple capacities, your Financial Advisor has an incentive to recommend investment products or services that create the greatest compensation for your Financial Advisor. In addition to disclosing these conflicts of interest, FCAS has created and implemented compliance and supervisory policies and procedures to mitigate such conflicts through the oversight of client accounts and investment advisory activities. FCAS mitigates these conflicts of interest, in part, by endeavoring to act in each client’s best interest and through

the adoption and implementation of a Code of Ethics (as detailed below) and other policies and procedures. To determine whether your Financial Advisor earns compensation in multiple capacities, review your Financial Advisor's Form ADV 2B Brochure Supplement or contact FCAS Home Office using the information on the cover page of this Part 2A Disclosure Brochure.

The information provided in this Brochure regarding other compensation is not intended to be exhaustive of all of the other compensation arrangements. Rather, it is a general description of the other compensation arrangements that FCAS believes are material to its clients and potential clients in making an informed decision whether to engage FCAS and its Financial Advisors to provide investment advisory products and services. By entering into a written agreement with FCAS, you (the client) consent to FCAS', its Affiliated Companies' and/or its Financial Advisors' retaining their respective portion of other compensation (directly or indirectly) in connection with FCAS' investment advisory products and services you receive from and through FCAS. FCAS encourages you to discuss this with your Financial Advisor or to contact FCAS with any client-specific questions.

You generally will pay commissions, fees, and other costs if you purchase products and/or services offered by FCBS, FCIS, and/or FCB. These fees and charges are in addition to and separate from any financial planning and/or investment advisory fees for the Advisory Program discussed above. The payment of Advisory Fees discussed above for either the TPS Program or any Advisory Program are not offset by commissions, fees, and other costs incurred as a result of your purchase of products and/or services through FCBS, FCIS and/or FCB.

FCAS mitigates this conflict of interest in several ways.

### **3. FCBS's Regulation Best Interest Disclosure**

As previously described above, FCAS's affiliated broker-dealer, FCBS, provides brokerage, custody, and execution services through its clearing arrangement with Pershing, a non-affiliated firm. FCBS receives direct and indirect compensation from Pershing, in part, based on FCAS's advisory clients and assets held in custody with Pershing. FCBS has negotiated a long-term contract with Pershing, that contains an early termination penalty, and is otherwise financially incentivized to use Pershing as its custodian. FCBS does not directly share this financial compensation with FCAS. For more complete details on these conflicts of interest, refer to the FCBS Regulation Best Interest (Reg BI) Disclosure document and the FCBS Fee Schedule.

FCBS's Regulation Best Interest Disclosure Document ("Reg BI Disclosure Document") includes information related to (1) material facts relating to the scope and terms of your relationship with FCBS including the capacity in which it acts as a broker-dealer when providing services to you; (2) the material fees and costs that will apply to your transactions, holdings and accounts held through FCBS; and (3) the conflicts of interest associated with FCBS recommending that you establish an investment account, transact in securities or select an investment strategy. FCBS employs a range of policies, procedures, supervision systems and other measures to help mitigate its conflicts of interest.

You will receive FCBS's Reg BI Disclosure Document prior to or at the time you receive a recommendation from a FCAS Financial Advisor for FCBS services. You may also obtain a copy of FCBS's Reg BI Disclosure Document by contacting your Financial Advisor, calling FCAS's Home Office at 800.443.2104 (overseas, call 817.731.8621), or visiting <https://cdn.firstcommand.com/assets/web-documents/regulation-best-interest-disclosure.pdf>.

### **C. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance-based fees. We also do not offer side-by-side management. This disclosure item is not applicable.

All investments carry some degree of Investing in securities involves risk of loss that clients should be prepared to bear.

### **D. TYPES OF CLIENTS**

In our capacity as an investment adviser, we offer advisory services to individuals, corporate entities, and trusts only. We do not do business with pension plans, investment companies or institutional clients other than FCFS.

Should you desire to participate in our AMS Program, the minimum initial investment requirement to participate in the FIP is \$20,000 per registered account and the minimum initial requirement to participate in the SIP is \$50,000 per registered account.

You are eligible to obtain financial planning services through the TPS Program without establishing or maintaining an investment account through FCBS.

## **E. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

FCAS's IMT performs due diligence on investment products purchased for or recommended to our investment advisory clients and manages the day-to-day decisions for the transactions occurring in client accounts.

The IMT follows a disciplined approach in researching current and potential investments, with decisions based on:

- **Philosophy.** We are biased toward mutual funds and ETFs managed by managers who select investments based on fundamental analysis of underlying business characteristics, comprehensive review of financial statements, and prudent consideration of risks including security valuation.
- **Process.** We seek alignment of the process with the stated philosophy and evidence of its consistency and successful execution over time.
- **People.** The character of the individuals who will manage the funds we select is of the utmost importance. We must maintain high confidence in the experience, integrity, and dedication of those who have primary responsibility for investment decisions and be comfortable with the teams which support them and the firm cultures in which they operate.
- **Price.** We must believe that the cost of a product is reasonable in the context of the value it can deliver for clients and in comparison, to similar alternatives.

The IMT uses a variety of quantitative and qualitative techniques as part of its analysis, including many principles which have collectively become known as Modern Portfolio Theory. Modern Portfolio Theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Of course, while risk can be managed, it cannot be avoided. We do not guarantee the performance of any investments or guarantee that our investment advice or strategies or that of any Financial Advisor will be successful or that your investment objectives will be met. Investment advice or financial planning recommendations provided by us or any Financial Advisor, are largely a matter of professional judgment, and neither us nor any Financial Advisor with whom you have worked shall be liable for performance or non-performance of any investment advice or recommended investment made in good faith and in accord with our duty of care.

All investments carry some degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of, nor predictable by FCAS. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war or regional/global pandemic) that affect investments in general or in specific industries or companies. The investment decisions made, and the actions taken in managing client assets will be subject to various market, liquidity, currency, economic, political and other risks.

Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of, nor predictable by FCAS. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war or regional/global pandemic) that affect investments in general or in specific industries or companies. The investment decisions made, and the actions taken in managing client assets will be subject to various market, liquidity, currency, economic, political and other risks. Investing in securities involves a risk of loss that clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments may lose value and past performance is never a guarantee of future results. The information contained in this ADV Part 2A Brochure cannot disclose every potential risk associated with an investment strategy, nor all of the risks applicable to a particular manager, security or investment. Risks vary by client according to their investment objectives, guidelines, liquidity needs or risk tolerances and not every strategy or portfolio will be exposed to each of the risks described in this Brochure and the applicable Advisory Program. This list is not intended

to be exhaustive of all of the risks associated with investing in strategies or securities that are utilized or recommended by FCAS. Rather, it is a general description of the nature and risks of the investment advisory services provided by FCAS and the related investments. This summary is qualified in its entirety by reference to the prospectuses and offering documents that apply to the funds and/or strategies that FCAS recommends and/or in which a client invests. Clients should carefully read any applicable prospectuses and/or offering documents and should consider consulting with their legal and/or tax professionals before engaging in any particular investment strategy or transacting in any specific investment. Past performance is no guarantee of future results.

The sources of information used by FCAS include materials prepared by organizations such as Morningstar, Inc., financial periodicals, annual reports, prospectuses, independent research subscription services, and the other documents created by the product issuers.

While we use the methods and tools noted above as part of our due diligence, each recommendation to a client is primarily built upon the client's goals, needs, objectives, and attitudes towards risk. The recommendations generally have a long-term focus. The actual risks associated with the investments will vary depending on the particular investment chosen, but the most important risk—like with all securities—remains the potential for loss of principal and income. Other material risks include: (1) the possibility of costs even in case of negative returns; (2) lack of control (e.g., we buy mutual funds and ETFs and the fund manager or portfolio manager controls the buying and selling as well as the timing of the trades for these funds); and (3) price uncertainty (e.g., the price at which you purchase or redeem mutual fund shares will typically depend on the fund's NAV, which may not be calculated until many hours after you've placed your order). Stock market volatility, interest rate changes, inflation risk, interest rate risk, credit risk, political and country risk, management and company risk, etc. should also be taken into account.

## **F. DISCIPLINARY INFORMATION**

FCAS has not been subject to any material legal or disciplinary events.

## **G. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FCAS's and its Financial Advisors' relationship to its Affiliated Companies create conflicts of interest and, in many cases, incentivizes your Financial Advisor to recommend an Affiliated Company's products and/or services versus other, similar, non-affiliated providers. Additionally, many of our Financial Advisors serve in multiple capacities and may be incentivized to recommend products or services that create the greatest compensation for the Financial Advisor.

FCBS is a broker-dealer. It recommends and effects securities transactions for you, including buying and selling securities that can be either held in accounts at Pershing, its clearing firm, or held in accounts directly with the issuer of the securities purchased such as mutual fund companies. FCBS is a member of the Financial Industry Regulatory Authority ("FINRA"). FCBS is authorized to conduct business in all 50 states, the District of Columbia, Puerto Rico, and Guam. It is also a member of the Securities Investor Protection Corporation ("SIPC") and the Municipal Securities Rulemaking Board ("MSRB").

FCIS is an insurance general agency that provides insurance products and services including but not limited to life insurance, long term care insurance, disability income insurance, liability insurance, and annuities.

FCB is a federally chartered savings and loan association and a member of the Federal Deposit Insurance Corporation (FDIC). Personal banking products and services provided by FCB include checking and savings accounts, money market accounts, certificates of deposit, automobile loans, mortgage loans, secured and unsecured personal loans, debt consolidation loans, credit and debit cards, online banking services, and trust services. Commercial banking products and services offered by FCB include commercial checking accounts, money market savings accounts, commercial loans, business credit and debit cards and online banking services.

Financial Advisors are affiliated with FCAS, are registered representatives affiliated with FCBS; and also are insurance agents affiliated with FCIS.

Financial Advisors will also receive support fees from FCB in recognition of their efforts to promote your banking relationship with FCB.

In the United Kingdom, investment and insurance products and services are offered through FCEL, an entity which is authorized and regulated by the Financial Conduct Authority (FCA) and is bound by the FCA's rules and

regulations in the conduct of its business. FCEL's FCA register number is 482323 and its head office is located at: Unit 4 Wallis Court, James Carter Road, Mildenhall, Suffolk, IP28 7DD, United Kingdom.

You may check FCEL's authorizations with the FCA at by calling the FCA at 0800 111 6768, by writing to the FCA at 12 Endeavour Square, London UK E20 1JN or through other contact options listed at <https://www.fca.org.uk/contact>. Certain investment and insurance products offered in the United States may not be available in Europe.

FCAS seeks to address these conflicts of interest by monitoring and enforcing a Code of Ethics, along with other compliance and supervisory policies and procedures, and through the establishment of the investment oversight committee ("IOC" or "Committee"). Furthermore, FCAS seeks to disclose material conflicts of interest to its clients and prospective through this Brochure and other documents.

## **H. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENTS' TRANSACTIONS & PERSONAL TRADING**

FCFS and all of its subsidiaries, including FCAS, have adopted a rigorous Code of Ethics that sets forth the high ethical standards of business conduct required of FCFS and its subsidiaries' employees and Financial Advisors.

FCAS takes great pride in our integrity and our commitment to serving clients' needs. The Code of Ethics sets forth the standards of conduct expected of all FCAS personnel. The Code is based on the principle that all employees and supervised persons of FCAS have a fiduciary duty to place the interests of clients ahead of their own and of FCAS. It is a means of memorializing our vision of appropriate and professional conduct in servicing our clients. Each of FCAS's employees and representatives have been furnished with a copy of this Code and has acknowledged and accepted its terms. The Code espouses policies to safeguard your confidential information, engage in fair dealing, and avoid conflicts of interest in decision-making. We do not tolerate violations to our Code of Ethics by taking allegations of a violation to this policy seriously and holding each employee and representative responsible for maintaining the standards set by the Code of Ethics.

We comply with all applicable laws and regulations that govern our business. You may review the FCFS Code of Ethics at any time. It is available on the website at <https://cdn.firstcommand.com/assets/web-documents/code-of-ethics.pdf>. You may also obtain a paper copy of the Code of Ethics by calling us at 800.443.2104 or writing to us at the following address:

First Command Advisory Services  
Attn. Chief Compliance Officer  
1 FirstComm Plaza  
Fort Worth, TX 76109-4999

FCAS, Financial Advisors, and its Affiliated Companies recommend or effect transactions in securities in which an FCAS or Affiliate director, officer, employee, or another Financial Advisor may also invest directly or indirectly. This poses a conflict of interest to the extent that transactions in such securities on behalf of FCAS clients may advantage such related persons. FCAS and its Affiliated Companies do not buy from, sell to, or otherwise enter into transactions for securities with clients or client accounts.

## **I. BROKERAGE PRACTICES**

FCAS uses its affiliate FCBS for all brokerage transactions and services. FCBS is an introducing broker-dealer. As an introducing broker-dealer, it recommends and effects securities transactions for you, including buying and selling securities that can be either held in accounts at Pershing, its clearing firm, or held in accounts directly with the issuer of the securities purchased such as mutual fund companies. Pershing is not affiliated with any First Command Affiliated Companies.

Pershing or the issuer of the securities purchased, as applicable, will be responsible for maintaining policies and procedures for aggregating the purchase or sales of securities for client accounts. Aggregation will generally not have an effect on the price you pay or receive when purchasing or selling mutual funds and ETFs.

Pursuant to the terms and conditions set forth in IMA, if you select FCAS as your investment adviser to manage your cash, securities and other assets which will be custodied (or maintained) at a designated third-party custodian selected by FCAS, i.e., Pershing, and managed in a FCAS Advisory Program, client understands and agrees that it must use FCBS for any brokerage-related service.

Not all investment advisers require their clients to use a specific broker-dealer. Requiring clients to use a particular broker-dealer may result in being unable to achieve the most favorable execution of client transactions, which could cost clients more money. In the case of mutual funds, it is important to note that the price at which you purchase or redeem shares will depend on the fund's NAV, which the fund may not calculate until many hours after you've placed your order. In general, mutual funds must calculate their NAV at least once every stock market trading day, typically after the major U.S. exchanges close. As such, requiring you to use a particular broker-dealer will generally not have an effect on the price you pay or receive when purchasing or selling mutual funds.

There is a conflict of interest when offering investment advisory services that require our Affiliated Company to provide brokerage services for which it is compensated. FCAS maintains policies, procedures, supervision systems and other measures to help mitigate its conflict of interest. FCAS does not receive additional compensation, is not subject to quotas, and does not qualify for bonuses or awards based on the purchase or referral of proprietary products.

Client assets within an Advisory Program will be maintained in client's name by a qualified custodian selected by FCAS, which is Pershing. Accounts are required to be established and held through FCAS' affiliated broker-dealer, Pershing. FCBS provides brokerage, custody and execution services through its clearing arrangement with Pershing, a non-affiliated firm, member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). Services provided by Pershing include, but are not limited to: (i) maintaining custody of client's assets; (ii) trading client's assets; (iii) providing client with monthly or quarterly account statements, (iv) providing Client with certain tax reporting documents, (v) delivering prospectuses, proxy materials and other similar documents, (vi) managing credit interest and dividend payments in the account, (vii) crediting principal on called or matured securities in the account, and (viii) other custodial functions.

FCAS selected FCBS primarily due to its affiliation and FCBS's relationship with Pershing. As part of this relationship, FCBS receives substantial economic and non-economic benefits from Pershing, including but not limited to, accessibility to dedicated service personnel, electronic and institutional trading, third-party research and technology, technical and operational support, advisory fee processing, and electronic communications and reporting to clients.

FCAS's and FCBS's affiliation creates conflicts of interest and, in many cases, incentivizes FCAS and its Financial Advisors to recommend an affiliate's products and/or services versus other, similar, non-affiliated providers. Additionally, many of FCAS's Financial Advisors serve in multiple capacities and may be incentivized to recommend products or services that create the greatest compensation for the Financial Advisor. For additional information about FCBS's order execution and routing practices, contact the FCAS Home Office using the information on the cover page of this Brochure.

FCAS is obligated to seek best execution for all trades, regardless of program; however, in seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a services. While FCAS reviews the accuracy, timeliness and execution of trades processed through Pershing, FCAS cannot guarantee that a client will receive the most favorable execution of trades, which in turn may cost clients more money. Periodically, FCAS reviews the custodial services provided by other qualified custodians in comparison to those provided by FCBS and Pershing.

## **J. REVIEW OF ACCOUNTS**

If you are a client in a FCAS Advisory Program, FCAS will manage and periodically rebalance your account's Assets consistent with the asset allocation for your chosen model portfolio.

We recommend that all clients meet with their Advisor at least once per year to review their account(s). During reviews, your personal financial information will be updated. You may require more frequent reviews depending on your particular situation or if a periodic review raises questions about your portfolio. A revised recommendation will



be made, if appropriate. Client is responsible for updating their profile to ensure all information supplied by Client is up-to-date and complete.

Account statements will be provided to you in writing or electronically on at least a quarterly basis by Pershing. These statements will contain balances as well as transaction history for your account during the indicated period. You should review your account statements and confirmations closely to ensure there are no unauthorized transactions in your account. You should notify us in writing within 30 days of receipt of your account statement or confirmation if you have any questions or concerns regarding the information contained therein. Note: It is your responsibility to promptly notify your Financial Advisor or FCAS of any changes to your profile (i.e. investment objective, risk tolerance, investable time horizon, financial situation, liquidity considerations, contact information, etc.).

## **K. CLIENT REFERRALS AND OTHER COMPENSATION**

FCAS does not receive any additional compensation for our advisory services other than as described in this ADV Part 2A and the applicable Advisory Program Wrap Fee Brochure, as applicable. We also do not pay fees to other parties for client referrals.

## **L. CUSTODY**

We do not have custody of your assets. Pershing is the custodian of assets and it clears and settles all trades for the Advisory Program. Pershing will send you statements on at least a quarterly basis. In addition, FCAS will provide client with quarterly performance monitoring reports for client's account which may be accessed electronically through FCAS's Client Portal (i.e., "Command Center"). Client shall receive all documents electronically. In the event the client wishes to receive mailed paper documents, client shall notify FCAS and client will be subject to any fees or costs related to mailing paper documents.

You should carefully review all statements received, ensure that they are accurate, and notify us immediately if there are any discrepancies.

## **M. INVESTMENT DISCRETION**

Our AMS Program exclusively provides discretionary investment management services to manage the assets in your Account. Granting discretionary authority means you authorize FCAS to make the investment decisions on your behalf to buy, sell or trade investments, select investment products, engage or terminate Investment Managers, perform portfolio re-balancing, and determine portfolio asset allocations. Our discretionary authority is limited to managing your Assets and does not enable FCAS or the Investment Managers to make any deposits or withdrawals of assets for your account, unless expressly authorized by you.

To participate in the AMS program, you must grant us full discretionary authority to manage your invested assets by agreeing to our IMA at account opening. Neither you nor FCAS may transact in your AMS program account other than as described in the IMA. The IMA allows you to impose certain restrictions. Refer to the AMS Wrap Fee Brochure for further information.

## **N. VOTING CLIENT SECURITIES**

FCAS maintains a Proxy Voting Policy which reflects our duty as a fiduciary to vote proxies in your best interest under the AMS Program. FCAS currently subscribes to advisory and other proxy voting services provided by an independent proxy voting service provider, Glass, Lewis & Co. ("Glass Lewis"). FCAS has delegated proxy voting for AMS clients to Glass Lewis.

FCAS has addressed conflict of interest issues by hiring Glass Lewis to vote proxies on its behalf. Glass Lewis then votes proxies in accordance with its United States Proxy Guidelines, which can be found at [www.glasslewis.com/voting-policies-2022/](http://www.glasslewis.com/voting-policies-2022/). In the event of a material conflict of interest that is not otherwise addressed through our Proxy Voting Policy and relationship with Glass Lewis, we will notify you.

We maintain relevant and appropriate proxy records in accordance with our Proxy Voting Policy. If you would like to receive a copy of our Proxy Voting Policy or specific voting records for proxies related to your holdings, please write to:

First Command Advisory Services  
Chief Investment Officer  
Attn: Proxy Voting Policy  
1 FirstComm Plaza  
Fort Worth, TX 76109-4999

A client may direct a vote in a particular solicitation by writing to the above address. FCAS will then work with you in accordance with our Proxy Voting Policy.

## **O. FINANCIAL INFORMATION**

FCAS is able to meet all of its financial obligations. We have not been the subject of a bankruptcy petition and do not anticipate any issues that would limit our ability to meet our contractual obligations to our clients or business partners.

# APPENDIX A: FEE SCHEDULE



This Fee Schedule shall be applicable to First Command Brokerage Services, Inc. advisory accounts held at Pershing LLC.

Service Fees	Advisory Accounts	
	Asset Management Solutions & Premier Managed Portfolio Assets <\$1M	Premier Managed Portfolio Assets >=\$1M
<b>Fee Description</b>		
Returned ACH Fee	\$30	NA
Stop Payment Fee	\$20	NA
Returned Check Fee	\$30	NA
Wire Fee (U.S.)	\$25	NA
Wire Fee (Foreign)	\$30	NA
Overnight Delivery	\$12 (Standard)    \$18 (Saturday) \$25 (Foreign)	NA
Miscellaneous/Confirmation Fee	NA	NA
GTC Confirm	NA	NA
	Asset Management Solutions & Premier Managed Portfolio Assets <\$1M	Premier Managed Portfolio Assets >=\$1M
<b>Fee Description</b>		
Outgoing Account Transfer	\$90	\$90
Accommodation Transfers	\$70	\$70
Register & Ship	\$70	\$70
Global Transfers Receive/Deliver	\$35 plus settlement fees	\$35 plus settlement fees
Direct Registration	\$15	\$15
Corporate Municipal Transfer & Ship	\$70	\$70
Government Bonds UITs Transfer	\$70	\$70
Non-Fund SERV and No-Load Mutual Fund Certificates	\$50	\$50
	Asset Management Solutions & Premier Managed Portfolio Assets <\$1M	Premier Managed Portfolio Assets >=\$1M
<b>Fee Description</b>		
Transaction Statements, Trade Confirmation, and Account Notifications	\$2 per account, per month, assessed quarterly	NA
Accounts must be enrolled in e-Delivery of all three document types (Account Statements, Trade Confirmations, and Account notifications) to avoid the monthly paper subscription fee.		
Annual Tax Document Subscription Fee	\$10 annually per account.	NA
If enrolled in the monthly paper subscription on 12/31, the annual Tax Document fee will not apply for tax documents for the prior year. The paper fee will accrue as of December 31st and assessed in March. Subscription fee assessed on qualified and non-qualified account regardless of tax document delivery.		
Annual Year End Statement	N/A	N/A
	Asset Management Solutions & Premier Managed Portfolio Assets <\$1M	Premier Managed Portfolio Assets >=\$1M
<b>Fee Description</b>		
Euroclear	\$50	\$50
All other foreign securities	\$75	\$75
	Asset Management Solutions & Premier Managed Portfolio Assets <\$1M	Premier Managed Portfolio Assets >=\$1M
<b>Fee Description</b>		
Safekeeping-Customer Name & Foreign Securities	\$11 per account, per position, per month	\$11 per account, per position, per month
Voluntary Reorganization	\$50	\$50

First Command Brokerage Services, Inc. reserves the right to maintain prior fee schedules for existing clients and to offer fee discounts to our employees, employees of our affiliates, retired former employees and financial advisors, current financial advisors, and their staff, as well as any veteran or military affiliated association or organization.

Other fees and costs, including fees intended to offset fees charged by regulatory bodies and costs for foreign currency transactions, foreign clearing charges, and safekeeping, may apply.

This IRA Service Fee Schedule shall be applicable to Advisory Accounts provided by First Command Advisory Services Inc. An annual maintenance fee and termination fee will be charged to you for our services in accordance with our current IRA Service Fee Schedule as follows:

IRA Service Fees	Advisory Accounts
<b>Fee Description</b>	
IRA Termination Fee	\$75 per account
Traditional IRA, Roth IRA, Sep IRA or Coverdell ESA Account	\$35 annually
SARSEP and SIMPLE IRA Account	\$50 annually
First Command Brokerage Services will waive the annual maintenance fee for Traditional and Roth IRA accounts more than \$250,000. The account value will be calculated as of September 30 each calendar year. (The waiver shall not apply to the other types of IRA accounts listed above.)	

The Annual Maintenance Fee will be assessed on IRA Accounts open as of September 30<sup>th</sup> of each year. The Annual Maintenance Fee is non-prorated (i.e., The Annual Maintenance Fee will be assessed regardless of the date during the year that your account was created) and, for your convenience, will be automatically deducted from your IRA account on or about December 15 of each year. You will receive an invoice for the Annual Maintenance Fee. Should you desire to do so, you may elect to pay the invoice by its due date instead of having the Annual Maintenance Fee automatically deducted from your IRA account.

In the event you terminate your IRA account, you will be charged the Termination Fee as well as the full, non-prorated current year Annual Maintenance Fee, regardless of the date during the year that your IRA account is terminated. Both the Annual Maintenance Fee and Termination Fee will be automatically deducted from your IRA account at the time of termination. We reserve the right to change or amend our IRA Service Fee Schedule upon 30 days' notice to you. In addition to the service fees discussed above, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your IRA at our discretion.

If you have any questions regarding this Account Fee Schedule, please contact your Financial Advisor or call 800-443-2104. This Fee Schedule is as of October 1, 2024. Fees subject to change without notice.