

# Form CRS: Relationship Summary

## AE Financial Services, LLC

### Introduction

AE Financial Services, LLC ("AEFS") is registered with the U.S. Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We offer our clients brokerage services. Clients should understand that the services we provide, and the costs are different than those of a registered investment adviser, and it is important for you, the retail investor, to understand the differences between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** We offer brokerage services to retail investors, including buying and selling securities. A variety of investment types may be recommended to you, including stocks, bonds, mutual funds, exchange traded funds ("ETFs"), covered options, structured products, real estate securities, and other investments. We do not make investment decisions for you. We will make recommendations and you make the ultimate decision of which investments, if any, to purchase or sell. We do not provide investment monitoring for brokerage accounts.

**Limited Investment Offerings:** We do not primarily recommend one type of securities to clients. Instead, we recommend investment accounts or products designed to be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodial platform or on our approved product list. When providing you services, we do not recommend or offer advice on any proprietary products.

**Account & Fee Minimums:** We do not set an account minimum. However, investment companies with whom you have the option to work with may set their own minimums.

For additional information, please see our investor fee schedule at (insert AEFS website page with fee schedule).

*Conversation Starters: Given my financial situation, should I choose a brokerage service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### What Fees Will I Pay?

**Description of Principal Fees & Costs:** With brokerage business, you open an account(s) with us through our clearing firm, National Financial Services, LLC. In a brokerage account you can buy and sell a variety of securities, for example, stocks, mutual funds, and ETFs and typically pay a commission to us anytime you buy or sell an investment. Because your registered representative is paid a commission anytime you buy or sell an investment, your representative has a conflict of interest to encourage you to have a high volume of activity in the account. In addition to commissions, certain account types are subject to annual custodial fees and certain investments, for example mutual funds, have underlying expenses. We encourage you to review the AEFS fee schedule for a listing of fees that may apply to brokerage accounts.

**Description of Other Fees & Costs:** When you open a direct business account, you will purchase securities directly from the issuer. Common forms of direct business are mutual funds purchases, variable annuity purchases, or purchases of non-traded investments, such as real estate investment trusts, ("REITs"). When you make these direct business purchases, it is brokerage business and we will receive a commission. As with all brokerage business, we do not provide investment monitoring services for direct business accounts. The commission rates will vary on mutual funds, variable annuities, and non-traded investments. Regardless of the investment you purchase, the commission or purchase charges will be detailed in the investment's prospectus or private placement memorandum ("PPM"). With certain investments, you will pay a commission to the investment issuer, who will share all or a portion of the commission with us, thus reducing the amount of your investment that "goes to work" for you. For example, if you pay a 5% front-end load on a mutual fund purchase, and you invest \$100, \$95 will go into the investment and the remaining \$5 will pay the front-end load, or commission. This is common in mutual fund A-shares and non-traded investments. In other investment products, your entire purchase amount will be invested, for example variable annuities. In this scenario, the issuer of the securities will pay us a commission, but the commission is not coming directly out of your purchase amount. This does not mean these investments do not have fees – they do. However, the fees are paid over time, and are typically reflected in the performance of the investment. This creates a conflict because with direct business, the greater the investment you make, the greater the commission we generally receive. In addition to the commissions described, investments purchased by direct business almost always have underlying fees and expenses, sometimes referred to as expense ratios. The underlying fees can vary widely from investment to investment. We encourage you to closely review the investment's prospectus or PPM to review these expenses.

**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. You may find FINRA's Fund Analyzer website at [https://tools.finra.org/fund\\_analyzer/](https://tools.finra.org/fund_analyzer/) to learn about the expenses of mutual funds and ETFs.

*Conversation Starters: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What Are Your Legal Obligations to Me When Providing Recommendations? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

**Standard of Conduct:** When we provide you with a recommendation, 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 we provide you. Here are some examples to help you understand what this means. (1) We have an incentive to recommend that you make purchases or sales and make them on a frequent basis. This results in high or excessive commissions or fees. (2) After a sale, certain products such as variable annuities or mutual funds, continue to pay us a fee known as a "trail". This gives us an incentive to make a recommendation to you for products that have trails over other products that do not.

**Examples of Ways You Make Money and Conflicts of Interest:** (1) Some investment companies we do business with, or products we sell, offer higher compensation to us than other products. We have an incentive to recommend you purchase investments that pay us more. (2) Some third party companies we work with provide us with additional benefits in exchange for recommending their products or services. These additional benefits include revenue sharing, technology, and expense sharing, to name a few. Some third party companies we work with provide none of these additional benefits.

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

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated, please see <http://www.ae-fs.com/>.

### **How Do Your Financial Professionals Make Money?**

**Description of How Financial Professionals Make Money:** We compensate our registered representatives with commissions for selling investments. This creates a conflict of interest because your representative has an incentive to recommend you invest more in your account with us due to the potential for increased compensation. An additional conflict is created because the commission earned is more on some investments. For example, investments that require you to hold them for a longer period of time before you can access the funds without penalty typically pay a greater commission than investments meant to be held for shorter periods of time, thus creating a conflict. Our representatives may also receive non-cash compensation such as travel related expenses to specific events and reimbursement for certain expenses. Our representatives may also serve as licensed insurance agents and receive commissions, incentives, bonus, and other economic incentives for selling insurance products, such as, "non-cash" compensation for sales of insurance products, including reward trips. The receipt of such compensation creates a conflict of interest. Some of our representatives also serve as investment adviser representatives of affiliate registered investment adviser, AE Wealth Management, LLC, and earn a fee based on the level of assets they have under management, which creates a conflict.

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

**Yes.** You can look up more information about us and our registered representatives at <https://www.investor.gov/CRS>.

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

### **Additional Information About AE Financial Services, LLC**

Additional information about us and copies of this relationship summary are available on the Internet at <http://www.ae-fs.com/>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at (866) 363-9595.

*Conversation Starters: 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?*

## Privacy Notice

FACTS	What Does AE Financial Services, LLC ("AEFS") Do With Your Personal Information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and investment experience</li> <li>• Income and risk tolerance</li> <li>• Assets and account transactions</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons AEFS chooses to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	Does AEFS share?	Can you limit this sharing?
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	AEFS doesn't share
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	AEFS doesn't share
<b>For nonaffiliates to market to you</b>	No	AEFS doesn't share
<b>For non-affiliated broker-dealers to supervise registered representatives that are also registered representatives of AEFS</b> - client account and transaction information	Yes	Yes
<b>If your registered representative leaves AEFS, we may allow her/him to take your contact and account information in order to continue providing services to you</b>	Yes	Yes

WHAT WE DO	
<b>How does AEFS protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Access to personal information is granted to our home-office associates and registered representatives only to provide investments and services to customers or to serve another legitimate business need.</p>
<b>How does AEFS collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account or give us your contact information</li> <li>• Seek advice about your investments or tell us about your investment or retirement portfolio</li> <li>• Enter into various direct business purchases</li> <li>• Direct us to buy or sell your securities</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>

<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.

## DEFINITIONS

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Our affiliates include financial companies such as AE Wealth Management, LLC.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>AEFS does not share with nonaffiliates so that they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>AEFS doesn't jointly market.</i></li> </ul>

<b>TO LIMIT OUR SHARING</b>	<ul style="list-style-type: none"> <li>▪ Call (866) 363-9595 and ask for the AEFS Compliance Department</li> <li>▪ Mail in the form provided at the end of this notice.</li> </ul> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
<b>QUESTIONS?</b>	Call (866) 363-9595

## ✂ MAIL-IN FORM

	Mark if you want to limit:	
	<input type="checkbox"/>	Sharing information about my transactions for supervision purposes to non-affiliated broker-dealers.
	Mark if you want to limit:	
	<input type="checkbox"/>	Sharing my contact and account information if my registered representative leaves AEFS.
	<b>Name</b>	
	<b>Address</b>	
	<b>City, State, Zip</b>	
	<b>Account Number</b>	
<b>Mail To:</b>	Attn: AEFS Compliance Department AE Financial Services, LLC 2950 SW McClure Rd., Ste. B Topeka, KS 66614	